FROM PERFORMANCE APPRAISAL TO PERFORMANCE MANAGEMENT: A MAJOR BREAK THROUGH

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ABSTRACT
This article tries to reveal the concept, objectives, and significance of performance management system in the present day context. Today, business organizations are competing not on traditional resources like materials, capital, etc. but on human resources, technology and knowledge. Human resource is the only resource in which every organization wants to have competitive advantage over its competitors. Hence Performance Management has assumed a pivotal role in the face of rapid changes due to globalization, liberalization, technological and market changes. It has become the backbone of human resource management for any organization intending to produce high performance and leverage its human capital.

Performance management is an integrated activity that aims to nurture and institutionalize performance management as a fundamental system of an organization. In this parlance, performance appraisal is considered as one of the tools that are used in measuring actual performance of employees on an assigned task. Similarly, performance management is viewed as an activity of goal setting and monitoring achievement goals. Performance management in this sense is viewed as another form of management by objectives (MBO). In contrast to popular misbelief, performance management is a comprehensive discipline that consists of strategies to address the entire motivational needs structure of human resource such as physiological, security, social, self-esteem and self-actualization through appropriate interventions and drivers.

KEY WORDS: BARS, Competitive advantage, Competency, Culture, Leadership, MBO, Performance appraisal, Performance management.