

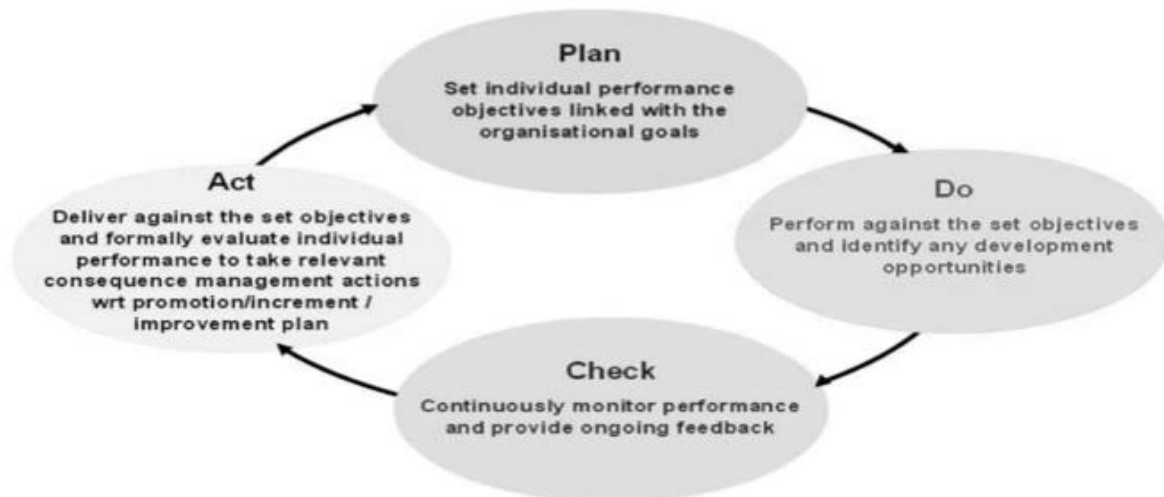


Fig.1. Performance Management Loop.

- Armstrong defines performance management as a “systematic process for improving organisational performance by developing the performance by developing the performance of individuals & teams. It’s a means of getting better results by understanding & managing performance within an agreed framework of planned goals, standards & competency requirements. It focuses people on doing the right things by clarifying their goals. It is owned & driven by line management.”
- The real concept of performance management is associated with an approach to creating a shared vision of the purpose and aims of the organisation, helping each individual employee understand and recognise their part in contributing to them, and in so doing manage and enhance the performance of both individuals & the organisation.
- Characteristics of a performance management system.
 - (a) Performance management is a planned process of which the primary elements are:
 1. Agreement
 2. Measurement
 3. Feedback
 4. Positive enforcement
 5. Dialogue
 - (b) Concerned with measuring outputs in the shape of delivered performance compared with expectations expressed as objectives.
 - (c) Focuses on targets, standards & measures or indicators.
 - (d) It is based on agreement of role requirements, objectives & performance improvement & personal development plans.
 - (e) Provides a setting for on-going dialogues about performance.