

PERFORMANCE MANAGEMENT SYSTEM AND ITS IMPACT ON THE FACULTY  
MEMBERS' PERFORMANCE IN BUSINESS SCHOOLS

Dr. Shahid A. Zia

Imperial College of Business Studies, Lahore

&

Shahinshah Babar Khan

Pakistan Atomic Energy Commission Model College, Islamabad

&

Shaheen Ashraf TahirKheli

Research Associate, Allama Iqbal Open University, Islamabad

&

Asghar Ali

Lecturer, Training and Staff Development Institute,

Punjab Group of Colleges, Lahore

&

Nazir Ahmad

Research Fellow, Allama Iqbal Open University, Islamabad

**Abstract**

Human Resource Management (HRM) is a system that synchronizes all the activities of an organization to achieve the set goals of that organization. An organization's achievements depend upon the performance of its employees and human capital is considered as an asset for an organization through which it tries to achieve its goals. In HRM, performance management system works as a tool for plane and smooth working within all sections of an organization. Performance management is a systematic approach to check and enhance the abilities of employees for working in such an environment where there are challenges and performance management system improve the level of skills and enables the employees to face those

challenges. Performance management system does not mean result based evaluation at the end of the academic year in which a teacher showed 100 % result declared a good teacher. Rather, it works as a continuous process, highlight the gaps, problems, deficiencies and provide opportunity to think about to overcome these gaps and problems well in time. Performance management also involves giving feedback to employees on a more consistent basis than the average annual review. Instead, an employee's ability to exceed or failure to meet goals may be monitored on a monthly basis. This provides the employee with either the opportunity to receive compliments and rewards fairly, regularly or to make behavior changes sooner if performance is not up to par (<http://www.wisegeek.com/what-is-performance-management.htm>). Annual Confidential Report (ACR) remains a performance indicator for a long time in almost all institutions but with the passage of time, it loses its credibility as many factors contribute in ACR which affects its originality. Moreover, ACR never highlight the corners to be improved. In Pakistan, to some extent, performance management system is a new phenomenon for assessing performance of the employees throughout the year. Advanced educational organizations assesses the performance of teachers' teaching method, communication skills, content knowledge, regularity in work and behavior towards teaching learning process, on regular basis and maintain the whole record. These organizations have developed their own evaluation forms or use the reputed national or international standards for evaluation of their faculty members. These evaluation forms are filled by the students and remain a confidential so that teacher may not affect its originality. After getting feedback, the administration of the organization point out the weak areas of the faculty members and draw strategic plan to overcome these weaknesses in future. The aim of this study is to find the impact of performance management system on the performance of the faculty members of business

schools. The sample for the study was the faculty members of business schools. A questionnaire was developed for knowing the opinion of the faculty members of business schools about performance management system in business schools and each statement of the questionnaire was tested by applying chi-square technique. It was found that performance management system is a source for preparing faculty members for reading new knowledge and teaching methods and guides them to use this knowledge and methods in the classroom for effective teaching.

## **Introduction**

Today, the role of learning organizations is different from the past, when students were checked on some definite patterns, which were based on memory rather than understanding. With the passage of time, traditional teaching styles replaced by new systemic approaches, which required more attention, more understanding and broaden vision about the whole learning process. In the current scenario, the role of student has been changed. In the past, the student who remain mum during the whole class and never ask a question was considered a good student, while in the current situation, students know that their future depends on their learning, not only on degree. New knowledge, effective communication skills, innovative ideas are the tools for survival in the global era. Information and communication technologies (ICTs) gave a robust to knowledge; one can have approach to hundreds of thousands of volumes of knowledge available across the globe. This availability of knowledge and access also changed the demands of students, there is more competitive environment for the students and only those students found place who have more ideas and ability to work in the challenging environment. All these innovations create a competition of the best among the learning organizations. Currently, the role of learning organizations is beyond the degrees, learning organization is supposed to build up the students for the challenges of 21<sup>st</sup> century. Learning environment, basic facilities, curriculum and

teaching faculty are some sign for any learning organization. These indicators are important for the reput of any organization and the development of any learning organization based on these factors. Currently, there is a race of best, every learning organization want to be the best, to achieve this credit, learning organizations try their best. Teaching faculty is the most important sign and works a gauge for learning organization, because the ultimate product that is student, shaped by the teachers. Teacher's content knowledge, pedagogical skills, communication skills are some tools which a teacher used in shaping the students. In the past, the concept of good teacher was different from the today's practice. The teacher who shows good result in the annual examination was declared as good teacher, how he/she did this, there was no question about it. Annual Confidential Report (ACR) was the criteria of judgment of the performance of a teacher, teacher's annual result was considered as the base line of his performance and it becomes the part of his/her ACR and obviously the teachers who showed 100 % result were declared as the best teacher . Teacher's performance is related with the students' performance, it is a common perception that good students reflect good teachers. Advancement of new knowledge and information and communication technologies (ICTs) gave birth to a performance management system for judgment of a teacher, through this system, teachers' content knowledge, pedagogical skills and communication skills are judged by the students who are the most important stakeholder of teaching learning process, who observed teachers in action in the classroom. About teacher's performance, students' provided information is considered an authentic source as these students watched every movement of the teacher. There are different methods used for the performance of the teacher. Performance management system is one of the methods used for having an eye on the activities of the teachers. In this method, institutions used self-developed questionnaires or proforma or reputed international standards for evaluation of teachers.

Through this method, students are asked about the teaching methods, teacher's behavior towards students during the class, and teachers' communication skills, he/she used during class. The main focus of this system is to observe teachers' activities during the class and highlights the weaken areas of the teachers. These questionnaires or proforma are filled by the students or some times by the higher authorities of the learning organization. On the basis of provided information by the students or by the higher authorities, organizations suggest possible ways for filling the gaps. In some situations, teachers are kept away from the whole process so that teachers may not affect the originality of the work and students may share their feelings about teachers' teaching methods, content knowledge and communication skills freely.

In Pakistan, Business education is one of the most popular fields among the youth. With the passage of time, business schools this field is getting maturity and also under pressure due to globalization. Now, degrees are not the matter, but skills and knowledge is more important for working in the globalization. This situation force business schools to employ the faculty with new knowledge and also monitor the performance of the faculty on the regular basis for achieving the standards.

## **Literature**

For any organization, its employees are an asset and progress of the organization depends on the work and working style of the employees. Performance is related to doing the work and the achievements. Performance is referred to as being about doing the work, as well as being about the results achieved (Otley, 1999).

Performance management is a way of keeping records with the aim to check the work style, work pace and for knowing about the ongoing activities in the organization. ... the organization

of work to achieve the best possible results. From this simple viewpoint, performance management is not a system or technique; it is the totality of the day-to-day activities of all managers (Fowler, 1990). An approach to creating a shared vision ... helping each individual employee understands and recognizes their part in contributing to them and in so doing manage and enhance the performance of both individual and the organization (Fletcher and Williams 1992). Performance management has become the key instrument used by policy-makers to improve the education system, to raise levels of attainment and to increase the accountability of teachers (Ozga, 2003). Management Advisory Committee of Australia (2001) says that it [Performance Management] provides a means to improve organizational performance by linking and aligning individual, team and organizational objectives and results. It also provides a means to recognize and reward good performance and to manage under-performance. Junejo, Umrani and Raza (2010) say that among all the tools of HRM, performance management is a system that ensures and maintains the proper flow of life blood in every section and unit of organization, which is human capital.

U.S Department of the interior (1995) describes the importance and function of Performance management system of employees in the following words:

Managing employee performance is an integral part of the work that all managers and rating officials perform throughout the year. It is as important as managing financial resources and program outcomes because employee performance or the lack thereof, has a profound effect on both the financial and program components of any organization (p.4).

Armstrong and Baron (1998, p.45) describe the following characteristics of performance management system:

- It communicates a vision of its objectives to all its employees.
- It sets departmental, unit, team and individual performance targets that are related to wider objectives.
- It conducts a formal review of progress towards these targets.
- It uses the review process to identify training, development and reward outcomes.
- It evaluates the whole process in order to improve the effectiveness.
- It defines a managerial structure to look after all the characteristics.

The main objective of performance management in any organization is to find the weaken areas of the faculty members and suggest ways for the improvement. Stephen and Dorfman (1989) found say that the outcomes of effective performance appraisal are improvement in the accuracy of employee performance and establishing relationship between performance on tasks and a clear potential for reward. Performance management is a means of auditing and managing system-wide activity. Organizations are encouraged to raise their levels of performance, and manage their staff and customers more tightly to achieve better outputs and outcomes (Ozga, 2003).

### **Role of Performance Management System**

Performance Management System perform different roles for an organization, it identify the gaps, provide opportunities to improve the gaps, highlight the achievements of the individuals and the organizations. Santos, M., F et al (2007) the following five roles of performance management system:

**Measure performance**

This category encompasses the role of monitor progress and measure performance/evaluates performance.

**Strategy management**

This category comprises the roles of planning, strategy formulation, strategy implementation/execution, and focus attention/provide alignment.

**Communication**

This category comprises the roles of internal and external communication, benchmarking and compliance with regulations.

**Influence behavior**

This category encompasses the roles of rewarding or compensating behaviour, managing relationships and control.

**Learning and improvement**

This category comprises the roles of feedback, double-loop learning and performance improvement.

**Methodology****Population and Sample**

The population for the study was the faculty members of business schools. Initially, a total of 200 faculty members of business schools were randomly selected and questionnaire was sent them through email. One of the respondents pointed out that in Pakistan, there are some institutes which do not use performance management system. After receiving these comments, the sample



selection was revisited and a total of 100 faculty members of business schools from Lahore, Rawal Pindi and Islamabad were selected through purposive sampling technique.

### **Instrument**

A questionnaire was developed on five point Likert scale for knowing the opinion of the faculty members of business schools about the effectiveness of the performance management system. There were five options (Strongly Agree=SA, Agree=A, Uncertain=UNC, Disagree= DA and SDA= Strongly Disagree) for each statement. In the questionnaire, the respondents were asked about the effects of performance management system on Teaching Methods, Subject Knowledge, Classroom Management and Classroom Issues and Motivation towards Responsibilities.

### **Validity of the Instrument**

For validity, the questionnaire was presented to 10 faculty members of business schools. These faculty members pointed some statements which were ambiguous and suggested that these items should be rephrased for better understanding and the corrections were made accordingly.

### **Reliability of the Instrument**

Reliability is the degree to which a test consistently measures whatever it measures (Segars, 1997). For measuring the reliability, the questionnaire was administered to 20 faculty members. After collecting the questionnaire, the reliability of the questionnaire was checked through Cronbach's Alpha, it was found 0.65.

## Data Collection

The researchers visited the institutions offering business education in Lahore, Rawal Pindi and Islamabad, met the faculty members and delivered them questionnaire. The questionnaire was also sent through email. Out of 100 sample, a total of 85 faculty members respond.

## Data Analysis

Each statement of the questionnaire was checked by using chi-square technique on significance level 0.05.

Effects on Teaching Methods							
Item #	Statement	SA	A	UNC	DA	SDA	
1	Performance Management System (PMS) guides to decorate the method in the light of particular theories of the subject.	24	56	5	0	0	134.82
2	Performance Management System (PMS) guides to review and improve the teaching methods.	45	39	1	0	0	123.65
3	PMS facilitates to learn new approaches for different topics.	23	26	31	5	0	43.88
4	PMS helps towards student centered learning.	45	35	5	0	0	107.65

5	PMS direct to use variety of instructional techniques for different steps in the same topic.	23	21	37	4	0	53.53
<b>Effects on Subject Knowledge</b>							
6	PMS leads to learn the innovative researches in the subject.	25	51	9	0	0	126.53
7	PMS direct to relate the existing knowledge with new knowledge and draw conclusions.	11	61	13	0	0	167.94
8	PMS guides to embed new knowledge in teaching learning process.	34	38	13	0	0	94.88
9	PMS facilitate to correlate the particular subject with other subjects.	23	46	16	0	0	85.65
10	PMS help to correlate the theoretical knowledge with practical values of life.	12	42	24	7	0	64.0
<b>Effects on Classroom Management and Classroom Issues</b>							
11	PMS guide for arousing the interest of the students in the subject.	14	12	48	11	0	77.65
12	PMS helps in proceeding the work systematically in the classroom.	19	61	5	0	0	156.59
13	PMS direct to use different strategies for different situations in the classroom.	16	56	12	1	0	123.05
14	PMS guides to several actions on behavioral issues of the students in the classroom.	15	39	23	8	0	52.59
15	PMS helps in effective interaction with students in the classroom.	23	47	15	0	0	89.29
<b>Motivation towards Responsibilities</b>							
16	PMS motivates to accept responsibility inside and outside the	14	57	12	2	0	126.35

	classroom.						
17	PMS stimulate to have a cooperative approach towards students.	23	59	3	0	0	151.41
18	PMS encourage for showing keen interest in the subject.	34	41	10	0	0	87.76
19	PMS inspire to remain impartial while dealing with students.	12	63	9	1	0	161.76
20	PMS stimulate to develop skills which are essential for encouragement of students for learning.	13	55	12	5	0	112.82

## Discussion

The respondents agreed that PMS helps in improving teaching by reviewing current methods in the light of particular theories and learn specific techniques for specific topics. PMS leads towards the teaching style in which students is the main character. The respondents confirm that PMS guides to learn new knowledge in their field and integrate new knowledge in the previous knowledge and use the sum of knowledge in the classroom for effective teaching. PMS guides to correlate one subject with the other subject and provide strong foundation for future learning.

The respondents were of the view that PMS tells to inculcate the interest of the subject through systemic work and use different approaches in different situations. The respondents were of the view that PMS is a source for them which inform for an interaction with students. The respondents agreed that PMS prepares them to accept responsibility inside and outside the classrooms and develop cooperative approach towards students and prepare the students for learning.

## Findings

- Performance management system tells to renew and review teaching methods.
- Performance management system guides to adopt new approaches for the different topics.
- Performance management system inculcates the passion to learn new researches in the field and enhance capabilities.
- Performance management system prepare for solving behavioral issues in the classrooms.
- Performance management system guides to manage teaching process more interactive.
- Performance management system guides to put in order the teaching process for better learning.
- Performance management system informs them to get ready for developing such skills among the students which are need of the time.

## **References**

Armstrong, M & Baron, A. (1998). Performance Management- New Realities. London: The Institute of personnel Development.

Fletcher, C. and Williams, R. (1992) .The Route to Performance Management. Journal of Personnel Management. Vol. 24 No. 10, pp. 42-7.

Fowler, A. ( 1990). Performance Management: The MBO of '90s'? In Personnel Management.

Junejo, M., A. Umrani, W., A. & A., Raza (2010). The Analysis of Performance Management System and its Impact on Higher Educational Institutes- A Case Study of Sukkur Division. Published in Proceeding of 3<sup>rd</sup> International Conference on assessing Quality in Higher Education. University of the Punjab. 6<sup>th</sup>-8<sup>th</sup> December, 2010.

Management Advisory Committee (2001). Performance Management in the Australian Public Service: A Strategic Framework. Canberra: Commonwealth of Australia.

Otley, D. (1999), ``Performance management: a framework for management control systems research'', Management Accounting Research, Vol. 10, pp. 363-82.

Ozga , J. ( 2003). Measuring & Managing Performance in Education.

Santos, M., F et al (2007). Towards a Definition of a Business Performance Measurement system. International Journal of Operations & Production Management, Vol. 27, Issue 8, 2007, pp. 784 – 801.

Segar, a. (1997). Assessing the Unidimensionality of measurement: a Paradigm and Illustration within the Context of Information System. Omega, 25 (1), 107-121

Stephen , W., & Dorfman, P. (1989). Administrative and Developmental Functions in Performance Appraisals: Conflicts or Synergy? Basic & Applied Social Psychology. 10 (1), Retrieved from Academic Search Premier Database on September 29, 2011. Available at <http://search.epnet.com>

U.S Department of the interior (1995). Performance Appraisal Handbook (370 DM 430): A Guide for Managers/Supervisors and Employees.