

# Sense, Essence and Essentiality of Performance Management System - An Analysis

\*Dr. Sitansu Panda - \*\*Mr. Prasanna Kumar Pradhan

## ABSTRACT

Performance Management System (PMS) is important for organizations. The essence of PMS should be clearly understood by the employees working with different responsibilities. Clarity, acceptability, space for incorporating modifications, scope for employee development and similar features should be there with PMS. In this study, association of PMS with Job Satisfaction (JS) has been explored which reveals a positive and significant association. The essentiality of PMS viewed by the employees for the development of employees as well as for the organization is also the finding by the researchers.

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## Introduction

Performance Management System (PMS) plays a vital role in managing the performance of an organization. It ensures the understanding and creating importance among the employees through contribution to organizational goals. And such system also facilitates harmonious relationship at the workplace creating team spirit and mutual trust among the employees. A great deal of employees' effort is driven to organizational success through PMS. Acceptability and integrity with organization values, fascinated by the organizational aroma and development of high performance work teams are possible by effective HR system from which PMS attributes a major credit. The successful implementation of strategy, policy measures depends on the organizational members as their perceptual values get carry forward for achieving the organizational objectives through their contribution at workplace. The Performance Management System along with different factors attribute to Job Satisfaction (JS) which lead to enhancing employee performance. In this context, it is quite pertinent to explore the relationship between PMS and JS which has been studied in this research.

## Review of Literature

The functions of Performance Management System (PMS) include performance appraisal process, entering partnership with external consultants, decisions to allocate financial resources for incentives and aligning goals with organization's strategic goals. The study results that overall functions of PMS has a significant positive impact on alignment. The financial support has also an impact on PMS function. The main activities of PMS include performance management system needs, job

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\* Senior Lecturer, Faculty of Industrial Management, Universiti Malaysia Pahang.

\*\* Executive Director, Kingston P.G.College, Hyderabad.