Performance Management

Name

Institutional Affiliation

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Most people use the terms performance management and performance appraisal interchangeably. However, they are different in that the former is a continuous process that involves reviewing the output of employees and giving them feedback on where to improve. The latter is a one-time event mostly conducted at the end of the year where managers rate an employee based on their past performance. Modern day businesses have shifted from using the traditional methods of rating employees (performance appraisal) to performance management.

It is more effective to challenge individual output as soon as possible before the situation gets out of hand and impacts the entire organization adversely. On the same note, regular recognition of positive performance of the workforce improves their morale unlike when they have to wait for a whole year to get the appreciation (Aguinis, 2009). In most instances, managers will rarely remember how their workers performed throughout the year and are thus likely to base the review on the most recent period, such as the last two weeks before the assessment period.

The two systems, however, have some similarities, especially in the scope of their execution. Both functions involve the creation of performance targets which the workforce make efforts to meet. If the managers realize their staff members have not met these objectives, they devise the means of improving the situation such as investing in staff training to bridge the skills gap among the workforce. Moreover, both systems provide the staff members with clear expectations of the management aimed at achieving the overall success in the business (Blake & Moseley, 2011).

Performance appraisal differs from performance management because of its reactive and limited nature since it occurs once or twice in a year. As a result, it does not introduce interferences to the employee's daily operations (Gesme & Wiseman, 2011). Contrastingly, performance management is proactive as it is a continuous process that affects the daily work of the employees by reviewing performance regularly and recommending change of actions to achieve the desired goals. Most companies treat performance appraisal as a portion of the entire performance management process. However, it is undertaken at periodic intervals and forms the basis of assigning the workforce further targets and introducing corrective action when the individual output is unsatisfactory.

The approach employed by performance management and performance appraisal is also different. In the former, the supervisor takes the role of a judge over the workforce, while in the latter, the manager acts as coach or mentor. In performance management, supervisors interact with their subordinates on a regular basis to discuss their experiences. As a result, the manager can establish the weaknesses of the workforce and devise the means of overcoming them. On the same note, the interaction helps the supervisor to notice the strengths of the employees and offer suggestions on how to optimize them (Aguinis, 2009). As a result, the two parties foster a healthy and professional relationship, and the employees feel free to consult their bosses whenever confronted by a work-related challenges.

Contrastingly, performance appraisal puts the supervisor in the position of a judge who judges the staff members past performance. However, the assessment might be incorrect as managers can fail to recollect individual past performance for one year or six months, especially due to the lack of periodical assessment records (Gesme & Wiseman, 2011). Some of the performance appraisal systems such as MBOs resemble performance management since they include the participation of both managers and employees in setting up joint targets. Further, MBOs involve a frequent review of the employee performance. However, the distinction comes in due to the failure of MBOs to monitor targets as well as observing the real time administration, which is the key components of performance management (Aguinis, 2009).

Performance appraisal is a formal and structured way of assessing employee output (Gesme & Wiseman, 2011). However, most of the systems give way for the customization of some areas depending on the employee. Nevertheless, it is a rigid technique that adheres to the laid out rating parameters that apply across the workforce. On the other hand, performance management is more flexible and casual (Aguinis, 2009). Although it is similar to performance appraisal in its consideration and definition of optimal performance, it leaves room for making changes to such guidelines depending on job situations or other market circumstances.

In performance appraisal, for instance, sales people can have $ 300 million target annually, and the supervisor will evaluate their performance on the achievement of this figure regardless of any economic challenges that make it impossible to meet the target. Performance management, on the other hand, would consider decreasing the target to a more reasonable figure during an economic recession. As a result, it eliminates the possibility of unfair reviews which rate employees low yet they are high performers when market conditions are favorable (Aguinis, 2009).

I believe performance management is the most appropriate technique of assessing the workforce. Firstly, it fosters teamwork by paying attention to methods of production (Short, 2011), unlike performance appraisal, which focuses more on results thus leading employees to pay attention to individual over team goals. Moreover, performance management is attentive to actual performance instead of previous records. As a result, it leaves little room for distortions such as when an employee performs well on special occasions due to an existing motivation, but cannot give such output in the absence of it (Aguinis, 2009). On the same note, employees can feel stressed by an upcoming staff appraisal (Gesme & Wiseman, 2011).

Frederick W. Taylor would discriminate against real time feedback mechanism because he believed organizations should be clear to their employees about the expected timeframe of completing a task. However, companies should equip the workers with the right tools and knowledge of handling their responsibilities. The real time feedback system does not adhere to these guidelines and instead believes in both employees and supervisors discussing project progress and making changes depending on existing circumstances (Bell, 2011). Therefore, the projects can delay as a result of the changes introduced thus violating Taylor's rules.

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