

CURRENT PRACTICES AND CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEM IN HIGHER EDUCATION INSTITUTIONS: A REVIEW

Jyoti¹, Dr. Farhat Mohsin²

¹Scholar FMS, MRIIRS. jyotisuri134@gmail.com

²Supervisor, MRIIRS. farhat.fms@mriu.edu.in

Received: 03.02.2020

Revised: 07.03.2020

Accepted: 11.04.2020

Abstract

In the present business environment scenario, mostly all the organizations have adopted the performance management system technique to know about the performances of the human resources. It is imperative to say that performance management system provides information about the human resources and it works as a process for encouraging the employees to focus on their work for achieving the organizational as well as individual objectives. The research focuses on the challenges which Higher Education institutions are facing to inspire the employees for enhancing the quality of higher education, as the employees are the resources and assets for an organization as well as the heart of any business entity which is examined as a notable factor for strategic, technical, societal, economical and cultural development of nations. It requires a scrupulous and thorough understanding about the activities of the academicians as well as administrations. Over the previous years, there has been a tremendous increase in the number of universities for the betterment of the society and the economy, therefore, the way to influence the man power is to analyze the performance with timely intimation of the progress or the development plans require for the desired output to retain the human resources. The literature review method has been used to scrutinize the current practices, issues and challenges of the performance management system in higher education sector.

Keywords: Performance Management System, Higher Education Institutions, Performance Appraisals, Challenges, Measurement, Feedback, Coaching, Engagement.

© 2020 by Advance Scientific Research. This is an open-access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>)
DOI: <http://dx.doi.org/10.31838/jcr.07.07.167>

INTRODUCTION

"Your performance depends on your people. Select the best, train them and back them. When errors occur, give sharper guidance. If errors persist or if the fit feels wrong, help them move on. The country cannot afford amateur hour in the White House." Donald Rumsfeld

Just like natural resources are essential for survival of the nation, similarly, education and manpower are vital for the future development of a nation. Crucial changes are happening in the higher education sector. The government is focusing more on establishing the significance of higher education by providing funds to the institutions for quality education along with the help of governing bodies such as University Grants Commission (UGC) and many accreditation bodies which enforce its standards, policies, procedures and norms. Since India's higher education system stands third largest in the world, following to the United states and China, nowadays, the universities are affected by the current challenges to sustain in the business environment due to change in accountability, technology, marketization, globalization, demographic and socio-cultural trends, government norms and policies irrespective of the autonomy enjoyed in the past. With the implementation of the norms by the government in the higher educational institutions, the universities are focusing more on the development of the human capital for the betterment of the nation and to hold a position in the world economy. Since the institutions are making daily routine changes in the academic world, it is creating a challenge for the trainers and teachers. Due to the prominent change in the academic world, the higher education institutions are under constant pressure to retain the efficient and effective faculty as recruiting the quality faculty is an easy task for the managers but to retain the faculty is a complex activity and insists more efforts. The higher education institutions become different from their competitors mainly due to the quality of faculties they are retaining.

It is also vital for the universities to allocate their resources and social responsibilities meeting the daily requirements. In order to meet the requirements, the demand for implementing

performance management system (further performance management system in the study would be read as PMS) arises in large number to improve the overall effectiveness of higher education institutions (Altbach PG, 2006). However, higher education institutions are working under compulsion to perform effectively in the current system.

Humans are the most robust resources of the universities that can work in this competitive environment and help to make modern business paradigm shift. The universities comprise of faculty, administrators, staff and students; however, the colleges or universities cannot operate without their development and since these are the primary resources, it is of the utmost importance for the organization. This paper aims to study the Performance Management of faculty members in Higher Education Institution and to explore out the current challenges of PMS in HEI. Also, it throws some light on current practices being followed for PMS in HEI. This study focuses on the performance of the teaching faculty and the role of their performances in the institution.

Though it is hard to discover the true predecessor of conventional performance management system but in the late eighteenth century, with the emergence of industrial revolution, the evaluation of the performance of the workers began on annual basis in order to improve the productivity of the workers (Kohli, 2008). In 1920s, the concept of merit rating method of performance was introduced to assess the personality attribute. However, after severe criticism, the personality attributes or traits were uncertain and unreliable in forecasting the results of an individual employee (Napier & Latham, 1986). Then, Peter F. Drucker introduced MBO approach which is still used by many organizations but due to its limitations and with passage of time, performance management got attention and finally Beer and Ruh articulated performance management in 1976.

Performance management is a combination of two words "performance" and "management" which is an ongoing process and describes about the relationship between the performance of

the employees and managing techniques followed by the universities in order to meet individual as well as institutions' objectives.

PERFORMANCE MANAGEMENT SYSTEM

Performance management system is the meticulous approach to compute the productivity and achievement of employees. It works as a process, where organization regulates its target, design, goals, vision, mission and objectives with accessible resources (e.g. workforce, data, capital etc. techniques and lay down the priorities.

Performance Management System in Higher Education Institutions

According to Longenecker (1999), an organization for many reasons require a performance management system for captivating sharp decisions regarding promotions, salary increases, depose, dissolution, honorarium, compensation and rewards.

The aim of Performance management system prompts the relevant endowment concerning service delivery and inscribing "Batho Pele" (people first) principle in conducting transactions with community challenges smartly in transforming Educational Institutions.

In higher education institutions(Further Higher Education Institution would be read as HEI), performance management is contemplated as a tool for managing performance of the individual which is growing notoriously (Kamel Mellahi, 2016). For various conviction and distinct formats, institutions are using the system for discovering and describing the role of each employee, fixing objectives for enlightening the growth of the employees as well as the institution entirely, monitoring and assessing the performance and framing the path for appraisal.

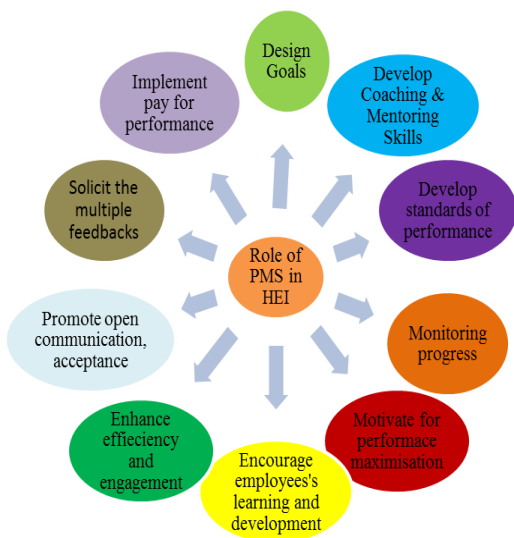


Figure 1: Represents the role of Performance management system in HEI (Self)

RESEARCH METHODOLOGY

Secondary resources are used for the present literature review paper to study the issues, practices, challenges of Performance Management System in Higher Education Institutions. The data has been collected from various sources like journals, articles, published research papers with help of Boolean search terms like ("performance management system", OR "employee performance") AND (" challenges" OR "practices") etc. Research papers had been collected and conducted study on all the papers.

REVIEW OF LITERATURE

Various studies have been done by the researchers on the concept

Binary & Binary (2018) concludes Performance management is essential component of almost all institutions, but it is misaligned with the mission, vision and statements of institutions. Performance Management and Performance Appraisal(Further Performance Appraisal would be read as PA) are confused by many universities and hence need to be taken very seriously with the higher official to have a better clarity on it and align it with the institution vision. PA comes hand in hand with PM rather it is a subset of PM.

Institutions should evaluate every individual according to certain set guidelines which need to be as per the strategic goals and in this whole process correctly defined PM system shall not only be to review but also to improve their performance.

The entire performance of Institutions is intended to improve with proper implementation of PM system. This shall be applicable not only to academicians but also to administrators who are a crucial part in attaining the institutions' vision, mission and goals.

In a nutshell to conclude the above statement, in many regions just focusing on individuality does not help much as it does in focusing on the entire team. Many followers of the systematic approach believe that performance feedback and accuracy dedicated with this approach are the main points to be taken care of. But we ponder in an environment where in Research & Development is of mainstream and going with such approach shall hinder the process. So, hereby, it is concluded that a combination of both the approaches shall be best suited for Educational Institutions.

Suryadi K. (2007), framed a principle that "there is no the best performance; but there are always better performances to achieve". Institution growth relies on the performance of employees which is exhibited when current performance compared to past level or beyond, it is reviewed by comparison of present situation and competitor standards.

The sketch of performance management has probably changed forever. However, years ago performance management was assessed on annual basis, based entirely on the employers' inputs with limited weightage on other suggestions, and relying on compound and likely rating measures with inadequate feedback. It outlines the past performance core issues , suggests new alternative designs and reviews implementation stating the few key elements such as by keeping record of implementation of consistent communication by higher authorities. Both HR and higher authorities should equally have participative nature while implementing the successful performance management system with a view to have refined, nourished streamlined employee experience recommended by **SHRM report**.

Teirl & Zhang (2016), presents a quantitative study by developing questionnaire and sent to the heads of all institutions of higher education in Palestine. 8 tasks have been prepared and examined, including recruitment, selection and termination, retirement, safety and health, salary administration, performance metrics, technology and system, employee relation, training and development. The wider picture after assessing the data is not providing positive result for the effective practices of human resource in Palestine. The policies, plans and strategies need to be revised for uplifting the quality of the education system and services for overall national growth

Ying Z. (2014) conducted the study to find out the relationship between employee's performance and performance management system, and to analyze the performance indicators. Just because employees act as the assets and resources for the organization, so their performance needs to be effectively evaluated,

monitored and examined so that better employee engagement results can be achieved.

An empirical study has been conducted along with the creation of new employee performance measurement model, where it has been divided into three stages. First, planning and development stage to motivate commitment and conception through connecting organizational vision and mission with the employees' target. Relation between the both is positive and significant according to the WERS 2004 report; Second, feedback and coaching; Third, rewarding performance through financial as well as motivational appraisal which can improve the morale, encouragement, personal development. The study is limited to the UK universities.

Not all performance measurement activities can work for the organization, every university has unique methods to evaluate the performance. Furthermore, at the time of setting the goals and objectives, certain elements should be considered such as university culture, skills, attitude, personality and knowledge of the employees. The objectives should be achievable because sometimes it can work against the managers or the institution which can result into dissatisfaction and de-motivation for employees.

Current practices of Performance Management System in Higher Education Institution in India

PMS is the pivotal practice as well as the "Achille's Heel" of Human Resource Management and the toughest system to execute due to its intricacy in actuality (CIPD, 2009).

Perfectly utilizing the process of performance management policies and practices can enhance and procure better efficiency as advocated in Hoare 1995's report. Accountability and performance measurement are one of the characteristics of new public managements (Tolofari, 2005). De Waal, 2007 recommends to develop western management technique to surpass and supervise performance.

Skeptical perception of PM practice has been proposed in certain studies in higher education institutions. For instance, negligence of the contemporary PM to motivate or prosper higher education institution teachers to their contentment, also it concluded that stimulation and development of faculties should be focused on appraised performance (Morris, 2011).

Measurement of performance in any organization is a difficult task but in Higher Education Institution, it is rarely destined to be a facile task (Johnes & Taylor, 1987). Universities should intensify increasingly more on academics performance instead of monetary performance. Amid measurement methods, Balance Scorecard is suggested for institutions to apply in higher education to evaluate their service with distinct aspect. Just like before flying airplanes, the pilot needs the detailed aspects of the flight such as destination, air speed, carriage, fuel and many other indicators, in the same way, for continuous innovation and enhancement in the behavior of the employees, the organization adopted the relevant and new measure which was first introduced in 1992 by David Norton and Robert Kaplan. Balance Scorecard is a combination of four different perspectives like financial, internal business, customer, innovation and learning (Smither & London, 2009; Pingle & Natashaa, 2011).

It is a convincing strategically planned technique to execute the effective PMS that institutions use to:

1. To arrange day to day activities.
2. To convey the targets.
3. To maintain and motivate the progress towards the goals.

The mission, vision and strategy of the universities can be measured by setting some indicators as KPIs in order to measure

the best possible outcome to maintain integrity in the society of the Higher Education Institution. Accordingly, performance measures (KPIs) can be adopted, keeping in view the strategic objectives and strategy map to identify and track over time for the desirable outcomes. Strategic KPIs examine to determine institution's efficiency and effectiveness by detecting the gap between the actual and targeted performance.

The notion of Performance indicators is liberated from economics, where the effectuality of the system is associated to its productiveness and return. It is universally accepted principle with discrete reasons keeping in view the vision and mission of the universities. Organization for Economic Cooperation and Development (OECD) in a survey defined performance indicators as "numerical value (s) used to measure something which is difficult to quantify, and which can be derived in different ways. They provide measurement for assessing the quantitative and qualitative performance of systems".

Performance appraisal is known by many names as "Annual Review" or "Performance evaluation" or "Employee evaluation" and many more. Basically it is a strategic, formal and organized assessment of the performance of employees to understand the potentiality of an individual for future extension and success (Armstrong, 2006). PA stands as a crucial part and extensive component of performance management process with organizational context (Armstrong & Appelbaum, 2003; Den Hartog, 2004; DeNisi, 1996; Toppo & Prusty, 2012; Bach, 2005).

In universities, this system laid out three purposes, firstly to recognize and analyze the performance of individuals, secondly to furnish incentives for the individuals and thirdly to examine the university goals with the progress (Dilts, 1994). As recommended by Khoury & Analoui, 2004, some faculties express resentment towards ongoing practices of performance appraisal because of deficient training, coaching, lack of communication, lack of possession, top management non-engagement, lack of judgment and prominence on students' feedback. This emerges in low morale, unambitious, frustration at work, exasperation, grievance, incompetent.

The key elements of performance appraisal systems in higher education institutions are used to measure performance for the desired results in a developmental approach with adequacy and constructiveness. (Simmons & Iles, 2001). 360° performance appraisal or feedback is one of the measurement technique to evaluate the performance that is expressed as "a process in which someone's performance is assessed and feedback is given by internal and external customers, who may include their manager, subordinates, colleagues and customers" (Armstrong, 2009). It is suggested to use it for effective and better results in the higher education institutions (CUCSA, 2011; Morris, 2007).

Recently many universities and colleges have allured much scrutiny in appraisal system followed by the management. Some authors claim that in the previous decade more attention has been paid to the performance quality and this issue has become a relevant subject, making it to be one of the prevailing components of controversy in higher education. In higher education, students are the customer of the institutions as they demand universities' faculty excellence in their performance (Gatfield, Barker, and Graham (1999).

Issues and Challenges in Performance Management System

Organizational culture and Leadership -Every organizational culture is created through norms, policies, custom, tradition, beliefs and its values. It directs on how an organization can support and perform its functions (Armstrong and Baron 1998). Also, it connects the employees of the organization to achieve the standard objectives.

According to Armstrong (2015), leaders play a critical role in developing the organization's policies and procedures which can

assure high performance in the organization. Therefore, while implementing the Performance Management System further, leaders are accountable for prompting and guiding staff members on why PMS is required in the institution and why every person participation will entitle the institution to expand.

Simplicity and Flexibility- The manager should design a Performance system in such a way that can be understood and implemented by both employer as well as employees in a simple and flexible manner. A performance evaluation system should not be complicated because employees tend to reject due to fear of unknown. A flexible and simple system is accepted and understood well by everyone in the institution. Moreover, an unchallenging or uncomplicated system influences employees to utilize it.

Reward Admirable Performance-According to Robbins (1996), organization that recognize their employees for extraordinary performance motivate their employee's self-esteem, determination, morale and revitalize others to work hard. Institution meet their goals when they value and reward the employees' good performance because encouraged employees tend to put extra effort and stay for longer period in the same work place.

Transparency, equality and moderation should be practiced by employer when rewarding performance as any biasness shall demoralize other employees for performing better. (Odendaal and Roodt - 2003).

Training and Framing a Learning Organization-According to Argyis and Schön (1977), continuous training and development initiatives can make organization a learning platform by the process of discovering, rectifying and improving flaws. Organization can boost employee's competencies, skills and convictions through sequence of training sessions.

Senge (1990) describes that learning cannot take place in classroom and it happens while performing task in the work place. Also, Senge (1990) intensifies the significance of nurturing a learning organization by implementing his five key learning themes as "The Five Disciplines" which is an art and practice of learning organization, that is to say,

- (i) Constructing Shared Vision
- (ii) Personal Mastery
- (iii) Systems Thinking
- (iv) Team learning
- (v) Mental Models

Robbins (1996), suggested organizations to train and improve their staff members by identifying each members' need based on performance evaluation. Performance data should be collected periodically in order to evaluate the performance and identified staff can be sent for training as per their requirements.

Through training and development operations, employees can understand PMS tools and techniques on how to abide practical and "SMART" goals with the organizational regulatory framework (Armstrong -2009).

Organization should learn new dynamics of change to become superior learners on organizational issues so that proactive decisions can be taken to implement change in gender diversity, culture, ethnic and technical knowledge. It is expensive as well as extensive while designing the process of change in leaning organization. Therefore, Indian higher educational institutions have the opportunity to apply and use these changes to create better working and learning environment.

Accomplish tasks and achieve the goals- While implementing the strategic policies to align with the targets, it is imperative to assess the objectives with the employees' development plans, measures, skills, competency requirements and the desired

results. There are the times when results get unaccomplished because it requires ample amount of time and energy to reach the goals and to measure and appraise the performance. However, there is a loss of effective employee performance.

Faulty assumptions-It is challenging for the managers to take effective decision while rating the performers and often work with a belief that the candid performance ratings will encourage employees for better performance. Rather, most employees are of the opinion that they are above-average performers, along with that high performers often end up finding evaluation process as discouraging.

Quality in Performance- The teacher quality performance plays a great role in establishing future success of universities. The quality of teacher performance is measured through the experience, research potential of the academic staff. By providing high quality and challenging academic programs one can lead to meet the international standards to serve the changing society at its best. However, the challenge for the universities is to maintain quality in teacher performance in order to create graduates who can meet the employer requirements.

Retain University Population- To recruit and retain is the biggest need of an hour for the managers as well as the immediate boss because by maintaining a diverse university population, one can lead to foster cordial, relevant and tolerant environment. Educational support services and programs can provide secured, efficient, constructive, approachable, and entrancing facilities.

Appraisal systems- The performance appraisal is the biggest challenge for the institution as the appraisal system has dynamic nature and develops continuously with the changing demands of the university due to which it needs revision with time. There is no doubt that performance appraisal is part of performance management system which describes about the compensation to be paid to the employees based on the university objectives being attained.

Feedback and Coaching- The HR department should create a climate where after managing and reviewing the performance of the employees, effective feedback and coaching could be implemented in order to reach the organizational as well as individual goals. The educational processes should be enhanced and preserved through dynamic leaning practices.

Measurement of Key Performance Indicators- The base for measuring performance relies on the key performance indicators such as trends of academic, research and supporting style measured through the outcomes of Performance Management. It aims for employee satisfaction, motivation and commitment and help the institutions to understand job performance through measures like rewarding individuals and recognizing through an accurate and constructive feedback.

Review Period- In a present scenario, several organizations practice performance management once a year due to which employees do not get enough scope to revamp the feedback. On the other hand, continuous feedback method is developing, consequently companies favor to discuss performance of the employees on weekly, quarterly or monthly basis. Not many of higher educational institutions have rebuild their performance system because of the agitation for constant change in vision and mission and constructing the right metrics may reduce the chances of success or effectiveness. At the end, whether the performance process should be continuous or annually is one more challenge.

Absence of Standardization- No matter what consistency and stability implemented in the performance management system with documented procedures and appraisal sheets/goals. There are no clear guidelines to the employees on how to complete the appraisal sheets, while trainings are not provided to the managers

for carrying out the system or operate the rating scale. Accessible standards have not been directed by few institutions' managers while framing the level of trait or attribute, performance between productive, average and non-productive performers which leads to the absence of transparency for both group and the organization, resulting in unavailing and imprecise system.

CONCLUSION

The proposed framework is framed on the quoted paramount: "there is no the best performance; but there are always better performances to achieve". Growth of the higher educational institution relies upon the successful implementation of the performance management system which are manifested by comparing current level with former performances. Diligent review of literature endeavored, and various measurements were identified, founded on the content analysis which resulted into a complete conceptual study. From the study it is clear that performance management is a complex, continuous and realistic reality. It also emphasizes that the demand for a fast-changing higher education environment can be expanded through strategic staff enlargement initiatives. By implementing PM procedures, universities can enhance or improve the overall performance of the university as well as individuals along with the attainment of individual and university goals. Performance appraisal includes the key performance indicators which should be same for both academics and administration.

The key performance indicators, however, should be the same. Availability of a smooth operation of Human Resource Development can lead to splendid implementation for an effective performance appraisal review for supervising the background of the result. The literatures shows that Balanced Scorecard and 360° Appraisal method is proved to be advantageous for the HEI segments which should be adopted by the Universities as a new Performance Management systems. However, job performance is understood by rewarding the employee, providing practical as well as valuable feedback, making learning organization culture, training and coaching which results into committed, motivated and satisfactory employee performance.

REFERENCES

1. Cosenz F. & Bianchi C. (2013), Designing Performance Management Systems in Academic Institutions: a Dynamic Performance Management View. Paper presented at the ASPA Conference New Orleans.
2. Chandra G.R. & Saraswathi B.A. (2018), A Study On The Concept Of Performance Management System In It Industry - Literature Review: IJMET International Journal of Mechanical Engineering and Technology, (ISSN Print: 0976-6340), 9(1), 511-520
3. Chahar B. & Hatwal V. (2018). A Study of Performance Management System in Higher Education Institution with Special Reference to Academicians: JETIR Journal of Emerging Technologies and Innovative Research, (ISSN-2349-5162), 5(6), www.jetir.org
4. Dorsey D. & Mueller R. Performance Management That Makes A Difference: An Evidence-Based Approach (n.d.) (SHRM report). Retrieved from <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/documents/performance%20management.pdf>
5. Decramer A., Christiaens J. Vanderstraeten A. (2008), Implementation Dynamics of Performance Management in Higher Education 528, <https://ideas.repec.org/p/rug/rugwps/08-528.html>
6. Jalaliyoon N. & Taherdoost H. (2012), Performance evaluation of higher education; a necessity: Procedia - Social and Behavioral Sciences, 26, 5682-5686.
7. Mapesala E.L.M. & Strydom F., Performance Management of Academic Staff in South African: A Developmental Research

Project. Paper presented at the conference on Trends in the Management of Human Resources in Higher Education.

8. Noronha F.S., Aquinas G. & Manezes D.A. (2016). Implementing Employee Performance Management System: A Scoping Review. International Journal of Management and Applied Science, (ISSN: 2394-7926), 2(5). http://www.iraj.in/journal/journal_file/journal_pdf/14-256-146502076485-89.pdf
9. Panda S. (2011). Performance Management System: Issues and Challenges: Management And Labour Studies, 36 (3). <https://journals.sagepub.com/doi/abs/10.1177/0258042X110360304>
10. Shilongo N.L. (2018), Challenges in the Implementation of the Performance Management System in the Ministry of Urban and Rural Development in Namibia
11. Sujith A.S. (2017), Emerging Trends In Performance Management - A Review: IJNRD International Journal of Novel Research and Development, (ISSN: 2456-4184), 2(6). <http://www.ijnrd.org/viewpaperforall.php?paper=IJNRD1706009>
12. Solanki, N. (2017). Managing Performance in the Higher Education System. IRA International Journal of Education and Multidisciplinary Studies (ISSN 2455-2526), 6(3), 260-265.
13. Sherwani H.K. (2014), Development of Performance Management Concept in Higher Education Context :International journal of Social Sciences & Educational Studies. (ISSN 2409-1294) I(2) . <https://ijsses.tiu.edu.iq/index.php/volume-1-issue-2-article-4/>
14. Suryadi K. (2007), Framework of Measuring Key Performance Indicators for Decision Support in Higher Education Institution, Journal of Applied Sciences Research, 3(12), 1689-1695
15. Tanveer, M. & Karim M.A. (2018), "Higher Education Institutions and the Performance Management" (2018). Library Philosophy and Practice (e-journal). 2183. <https://digitalcommons.unl.edu/libphilprac/2183>.
16. Teir Abu R.A.S. Abu & Zhang R.(2016). The Current Practices of Human Resource Management in Higher Education Institutions in Palestine: JHRMLS Journal of Human Resources Management and Labor Studies, 4(1), 65-83.
17. Türk K. & Roolah T. (2007). Appraisal and Compensation of the Academic Staff in Estonian Public and Private Universities: A Comparative Analysis. TRAMES, 11(61/56), 2, 206-222.