

Agile Performance Management System and Its Incorporation Issues

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Abstract

Performance management systems help human resource managers integrate individual goals with departmental goals, making it easier to achieve departmental goals. Recognizing that performance management has progressed beyond the yearly performance appraisal ritual is critical. Performance appraisal and performance management are no longer interchangeable, as they were in the 1990s and early 2000s. Individual-focused performance management will increasingly give way to organizational-focused performance management. The ability to demonstrate active participation in the corporate social responsibility agenda is rapidly expanding. Performance management has seen a number of changes in recent years. Modern workplaces and people are mirrored in agile performance management. Workplaces are becoming more open and convivial, with teams and supervisors collaborating to achieve a goal, particularly in the digital economy, where employees no longer want to hear goals.

Keywords: Performance Management System, Performance Appraisal, Knowledge Economy, Agile Performance Management.

Introduction

In recent years, performance management has evolved. The 360-degree feedback device has been the most significant development. Supervisor-employee performance evaluations were typically a checkbox exercise. These evolved into performance management based on results. Agile performance management, which is adaptive for today's workplace, is now used by progressive firms. Modern workplaces and people are mirrored in agile performance management. Workplaces are becoming more open and convivial, with teams and supervisors collaborating to achieve a goal, particularly in the digital economy, where employees no longer want to hear goals. They want to make plans and set goals. Texting on the go has conditioned millennials to think in this manner. Offices are now as socially connected as social media, allowing employees and management to communicate in real time. Performance evaluations do not have to wait for an annual review. As firms embrace "agile," their processes become more agile.

Annual performance reviews are replaced by a continuous, participatory process in agile performance management. Goal-setting, measurable results, teamwork, regular feedback, adaptation to organisational changes, and competent coaching are all emphasized in this strategy. It improves performance management by being constant and frequent while adjusting to organisational changes as well as individual employee strengths and objectives. Managers should also serve as facilitators rather than leaders. Employee expectations for goal clarity, assessment, and feedback frequency and quality are rarely met by company performance management. Because of the fast-changing work environment and the ineffectiveness of previous performance assessments in gauging employee performance, Agile Performance Management was required. They squandered a lot of time and energy. This agile performance management

will provide you with a wonderful employee with significant worker and leader comprehension benefits. People-interventions are made easier by agile performance management. Agile Performance Management improves on traditional performance management by incorporating collaborative feedback and growth. Agile performance management places a premium on collaboration. Workers can engage in goal-setting as a result, making the region more powerful and productive. Because employees interact with peers on a regular basis, peer-based evaluation is frequently more important than superior input. Employees are responsible for performance and training. A peer-to-peer working connection helps everyone. The current study looks at the agile performance management variables in industrial businesses while taking the aforementioned factors into account.

Statement of the problem

Traditional performance management entails establishing goals at the beginning of the year and analyzing and delivering feedback at the end. In contrast to traditional, fixed-interval processes, the new agile approach employs social tools to establish transparent and customizable goals and to provide regular, timely, and multi-sourced input. On workplace social media, employees can view and comment on each other's goals. They can also change their aims in response to outside feedback and changing business needs. The new agile performance management strategy increases the value of people by supporting goals that are appropriate for today's dynamic business environment. It also delivers real-time feedback to employees to help them develop.

Agile Performance Management is designed for a speedier, more social, and open future. It should be included in the monthly achievement check-ins. During meetings, managers and employees can provide and receive crucial feedback. Because of our fast-paced, ever-changing work environment and the fact that traditional performance reviews never worked, we required Agile Performance Management. Despite putting in a lot of effort and documenting everything, the results were incorrect. Agile performance reviews provide immediate, clear, and straightforward feedback. Agile performance management aspires to be more meaningful and forward-thinking than traditional performance management. This work seeks to answer the following research question:

1. To identify the issues in incorporating APMS in information technology companies

Literature Review

According to V. Santhi and R. Shankar (2021), green HRM has a considerable impact on productivity. This would foster employee concern for the environment. Sterken (2020) developed a standard information system for agile performance management to assist enterprises in assessing and improving their Agile performance. Based on the findings of a systematic literature review, a panel of Agile and Scaled Agile Framework specialists examined the system's design. Suresh and Shankar (2019) emphasized on the emotional intelligence that plays a significant role in stress reduction. Business activities are stressful after some extent and though various performance measures in place to look after the employees' productivity, the effective intelligence can overcome all the hurdles. According to a case study published in 2019 by Tsormi et al., the Performance Management System (PMS) was created utilizing agile methods. The research described an agile technique suitable for PMS development. It implies that the development of the PMS should not be viewed solely as a project or a process that progresses logically from measure selection to measure implementation. According to Ellen (2018), the efficiency of any appraisal system is determined by how employees perceive fair performance reviews. The formation of bias in the appraisal process has received a great deal of attention in the performance management literature. Nonetheless, there is little specific evidence between formal discrimination complaint filings a key sign of bias and performance evaluations. Muhammad Idrus Taba (2018) investigated the function of organisational commitment and work performance in moderating the link between the reward system and employee job satisfaction. The study discovered that extrinsic and intrinsic incentive systems had a direct and significant impact on work efficiency, organisational commitment, and job happiness.

Research Design

The study is both scientific and observational. The primary data is obtained from the organisations who have implemented Agile Performance Management. Secondary data for the study was acquired from publications such as

books, periodicals, websites, and business journals. Purposive or judgement sampling is used to select 150 samples for the study.

Analysis and Discussion

Table 1: Personal Profile of the Respondents

Classification	No of Respondents
Nativity of business	
National	111
International	39
Position of employment	
Senior management level	35
Middle management level	62
Junior management level	53
Years of existence	
Less than 5 years	41
Between 6 and 10 years	37
Between 11 and 15 years	34
More than 15 years	38
Size of workforce	
Less than 250 members	108
More than 250 members	42
Annual turnover	
Less than INR 500crores	63
Between INR 501 and INR 750crores	38
Between INR 751 and INR 1000crores	25
More than INR 1000crores	24
Years of implementation of Agile PMS	
Less than 2 years	47
More than 2 years	103

Source: Primary data

The demographic profile of the respondents, who are the employers of companies' that implemented Agile Performance Management System, is shown in the table above. Out of the 150samples, 111 are national companies, 62 are working at middle management level, 41 companies have less than 5 years of existence, 108 companies have less than 250 members, 63 companies earn less than INR 500 crores per annum and 103 companies have been using Agile PMS for more than 2 years.

Issues in Incorporating the Agile Performance Management System

Table 2: Challenges - Descriptive Statistics

	N	Mean	Std. Dev.
	Statistic	Statistic	Statistic
Employee resistance	150	3.3	.75

Managerial resistance on some cases	150	2.9	.82
Lack of awareness	150	2.0	.93
Lack of funds to some extent	150	2.8	.91
Procedures involved	150	2.8	.96
Implementation barrier	150	2.6	.97
Unsatisfied employees	150	2.8	.95
Biased feedbacks	150	3.0	.82
Unexpected performances / performance standards	150	2.9	.87
Improper recognition and rewards	150	2.8	.95
Valid N (listwise)	150		

The 2 denotes the descriptive statistics of challenges faced in agile performance management system. The construct Employee resistance has the better mean value of 3.3 and the construct implementation barrier has the better standard deviation of .97. All the constructs are positively skewed and have kurtosis value less than three and hence are leptokurtic.

Analysis of Difference between Issues in Incorporation of Agile Performance Management System and Personal Profile of Employers

H₀: The difference between the issues in APMS incorporation and personal profile of employers is insignificant

Table 3: Analysis of Variance

Variables	<i>f</i>	P-value	S/ NS
Nativity of business	1.84	0.04	S
Position of employment	7.27	0.02	S
Years of existence	2.78	0.00	S
Size of workforce	14.20	0.01	S
Annual turnover	11.91	0.03	S
Years of implementation of Agile PMS	3.47	0.01	S

Source: Primary data

The differences between challenges faced by Agile PMS and personal profile of employers is analysed in the table above. All personal profiles are found to be significant at 5% and 1%, respectively, as shown in the table. As a result, the null hypothesis is rejected, and it is found that the difference between the challenges faced by Agile PMS and personal profile of employers is significant.

Conclusion

The Agile PMS has been shown to improve managerial performance, reward strong performance, strengthen employee dedication to their work, build skills for better careers and future advancement, and improve the working relationship between subordinates and superiors. However, depending on the two organisations, an Agile PMS has various effects on management effectiveness and communication. While Indian firms develop rules and processes with great care and seriousness, they frequently lack sincerity when it comes to putting such systems and policies into action. Any incomplete phase may have an impact on the overall effectiveness of the exercise. As a result, it is critical to guarantee that everyone takes things seriously, from the beginning of the policy-making process until the successful finish of the policy.

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