

# Performance Improvement Plan for Developing Countries

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## Abstract

This paper highlights the various dimensions of Performance Improvement Plan and their implications to different organizations of developing countries. The proposed approach might be supportive in the development of model that improves the performance of developing world. Various steps of model including analyze the economic, political, and legal situation of the country, availability of resources, effective tools for improving performance, evaluation tools, develop effective communication with employees, feedback and analytical estimates. The developing countries are facing some challenges which are hinder to improve performance. These countries can improve the performance by adopting alternatives and effective management of the available resources is the key factor to improve performance.

**Keywords:** performance, developing countries, performance improvement plan

## Introduction

A Performance Improvement Plan (PIP) is a formal process which identifies key factors which need to be corrected to improve performance. Basically, a PIP is a planned communication mechanism between the employee and the supervisor. The performance improvement plan, or PIP, as it is sometimes described, identifies performance and/or behavioral issues that need to be corrected and forms a written plan of action to guide the improvement and/or corrective action. The performance improvement plan can be an effective tool in preventing problems from getting worse or for intervening when performance and/or workplace behaviors have become counterproductive.

According to Francesco, organizational effectiveness depends on the effectiveness of employees. It is not an easy task to improve the effectiveness of each individual employee. The performance improvement plan is a guiding way to improve the employees' performance which contributes towards organizational effectiveness.

In developing countries there are some serious constraints regarding performance for instance economic and political situation, unavailability of finances, and lack of resources. This study focuses on all these issues and intends a model to improve performance in the presence of all these constraints. The researcher emphasizes that the developing countries should try to explore other alternatives to improve performance rather than stop to improve due to these constraints. This research article highlights various dimensions of Performance Improvement Plan (PIP) for developing countries.

## Problem Statement

Keeping the above discussion in view, the researcher plans to propose a performance improvement plan (PIP) for developing countries.

## Significance of the study

The research area that is performance improvement plan for developing countries has not yet been explored by any researcher. Various researchers proposed different Performance improvement models to improve the performance but these models are not applicable in developing countries due to some constraints. This is a visible gap in the body of knowledge. The present research does fill this gap and is a significant contribution to the body of knowledge.

## Objectives of the Study

- To improve the performance of developing countries through Performance Improvement Plan (PIP)
- To improve the performance of the employees

## Literature Review

Most of the studies indicated conflicting results regarding the effectiveness of performance management and these irregularities can be related to lack of understanding of the issue of how to improve the performance management system. In this study the researchers propose four performance management system facilitators which includes; a) focus on the border view of performance management which consists of strategic and tactical elements b) to encourage the involvement of senior management in the process c) everyone should be aware of performance expectations d) formal training of performance raters. (Michal, Elaine and Jaap 2011)

Sohail and Baldwin describe the 67 performance indicators for micro projects. These indicators not only measure

general performance but also highlight inter-organizational and socio-economic issues. These indicators are collected from over 800 micro projects undertaken in developing countries. So they make an important role in the management of micro-projects in developing countries. The final list of indicators shows a set of measurements from which management can select suitable basis to supervise either individual micro-projects or groups of projects within an overall programme. (Sohail & Baldwin 2010)

Luu, Kim, Cao and Park discussed about many large contractors in Vietnam which are lacking an effective system to measure their performance and recognize weaknesses and threats. The combination of balanced scorecard and SWOT matrix is described to evaluate the strategic performance of these contractors in Vietnam. For this a construction company named AnGiang Construction Company (ACC) was used as an example to validate the approach. According to the results the financial perspective is at poor level on the performance scale whereas the customers, learning and growth and internal process perspectives are at moderate level on the performance scale. An effective evaluation matrix exposed effective solutions as follows; a) innovating organizational structure b) proper check and balance in managing processes at construction sites; c) taking measures for cost control; d) making improvement in equipment management. The findings may not benefit the construction firms of Vietnam but can help other developing countries to improve their performance. (Luu, Kim, Cao & Park 2010)

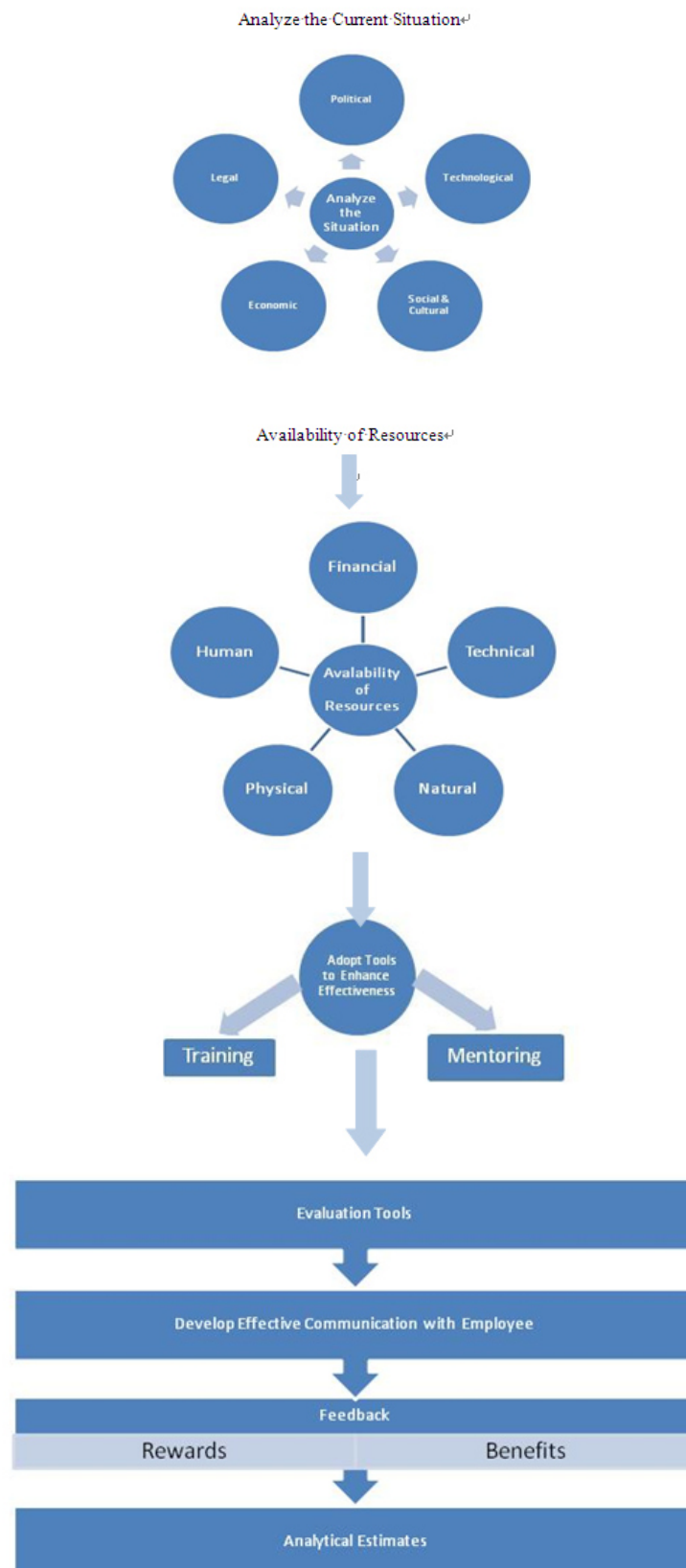
Appraisals are considered to be a part of a larger performance management system where the whole focus is on performance improvement. It is cleared that we must consider how to influence individual level performance up to the level of the firm because improving firm performance is serious for its strategic goals. (DeNisi 2011)

Performance improvement plans are used when employees are facing problems in achieving their targets. If a supervisor wants to achieve the specific target he must design a plan which provides the leadership a complete package of mentoring and support tool and giving employees the direction on how to improvement unsatisfactory performance. Basically performance improvement plans are used to increase the efficiency of employees. An effective performance improvement plan is one in which we can identify what is expected from employees and what is the outcome and then examining the gap in the performance. (LEADS)

### **Methodology**

An intensive and extensive literature survey has been carried out for the development of the proposed model.

## Proposed Model



**Source:** School Improvement  
Retrieved from [http://www.nassp.org/Content/158/how\\_800.png](http://www.nassp.org/Content/158/how_800.png)

## **Model Elaboration**

### **Analyze the Current Situation**

The proposed model starts to analyze the economic, political, technological, social and legal situation of the developing countries. Many developing countries face particular challenges that make it hard for them to maintain economic growth. People are incapable to meet their minimum basic needs. GDP rate (Gross Domestic Product) which is the main indicator of economic growth is unsatisfactory. Due to increasing Inflation rate the developing countries are incessantly losing their currency value. The other main reason is burden of foreign loans and Govt. borrowings which is very also becoming the cause of down fall of economy. The tax collection rate is not satisfactory. The export and import situation of these countries also do not indicate a positive sign. Brain drain is another serious problem, which developing countries are facing. These countries are losing their intellectual property due to unemployment.

The unstable political situation in country is also affecting the growth rate. Remittance from the foreign countries has also been reduced in the recent years due to political instability. Foreign and local investment of the developing countries has been minimized investors are reluctant to invest due to unstable political condition.

Developing countries have no proper planning regarding technology implementation, lack of trained employees and inappropriate IT system. Legal situation of developing countries is not satisfactory. There is a need of independent judiciary and proper legal mechanism to protect the right and liberty of the common man, as well as the independence and stability of the state.

### **Availability of Resources**

The second step of model emphasized on the leading challenge regarding resources. Unluckily developing countries have not sufficient resources to enhance the performance. Developed countries invest in automation and technology to make the life easier and increase the efficiency of employee but the developing countries face this challenge. These countries should try to use alternatives to increase the performance. For instance, an energy crisis with respect to natural resources is a big issue in developing countries. But developing world can promote the culture of hand-made work to increase the performance. Human capital is strongest resource of any country which plays an important role to achieve the effectiveness. Developing countries don't focus how to manage this resource. These countries should promote the technical education to make them productive and which can contribute towards the technological enhancement. These countries try to mobilize international and domestic financial resources at all levels like China and India invest in infrastructure and technology which has become a source of their quick development.

### **Adopt Tools to Enhance Effectiveness**

Once the developing countries effectively manage the available resources then they should come on training and mentoring. Training and mentoring are two effective tools from which the developing countries can enhance the performance and fill the gap of lack of resources. The researcher focus to organize the training and mentoring sessions under the available financial resources, don't need to go for foreign experts to train the people or spend money on luxurious venues. For instance, training sessions can be organized in one of the big room of the company or invite the experts or personnels from the other well managed and reputed companies to train the employees.

### **Evaluation Tools**

The main objective of the study is to increase the employee performance. The company should be familiar with the feelings or views of employees towards their work or the company. To assess the state of mind of the employee, the company can conduct director interviews, circulate questionnaire and through informal discussion with their employees. These are easy ways which developing countries can adopt to increase the effectiveness.

### **Develop Effective Communication with Staff**

This is the key responsibility of the company to explain the each and every step of improvement plan to the employees. In this way the employees will realize the importance of the improvement plan and they will consider it an effective tool to enhance the performance of the employee.

### **Feedback**

Another main element of the proposed model is to provide feedback to the employees in terms of rewards and benefits. Rewards and benefits supply energy in the body of employees, from which they will be motivated or dedicated towards their work responsibilities. The developing countries can motivate their employees by giving them a letter of appreciation, annual increments and bonuses under the available financial resources.

### **Analytical Estimates**

The company should develop their objectives, policies and strategies by keeping in view the current situation or availability of resources. Because developing countries have insufficient resources and their macro condition is not in position to compete with developed world.

### **Conclusion**

The developing countries can improve their performance by adopting the proposed model. The proposed model indicates that developing countries should adopt the alternatives to improve performance under available resources. They should face the challenges and create a culture of understanding the things. Human capital is the biggest source of developing countries from which they can increase the performance. Once the performance of an individual employee would be increased then organizational effectiveness can be achieved, if the organizations would be succeeded to enhance the productivity then country performance will be improved. Therefore, the chain starts from the employee development and ends on country performance.

### **Recommendations**

In keeping of view of the above study, it is recommended that researches may be carried out to propose the performance improvement model for third world, so that further studies may be anticipated by consideration of the existing study.

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