

Human Resource Performance Management and Measurement in KSE-100 Index

Muhammad shadab abdul sattar¹ SHAISTA SHAHID² MADIHA GOHAR³
MS Scholar, Department of Management Sciences, Muhammad Ali Jinnah University, Karachi

Abstract

In this paper, it is observed that there is an empirical relationship between performance management and measure on employee performance. With the help of this study, a functional manager or HR professionals are unable to measure the performance or willingness of the employees and workers towards the organization's desired objectives. To check the data, KSE-100 index listed companies are taken and 05 evaluation forms from each company have been taken. In this research, all hypothesis are accepted and results found that there is a significant impact of performance management over employee performance, significant impact of performance management on employees' willingness for the objectives of the organization, there is a relationship between employee initiative and work quality and there is an impact of punctuality on employee performance:

Keywords: Performance, Grading Scale, Punctuality, Dependability, Initiative, Work Quality, Job Knowledge, Communication/Listening Skills

1. INTRODUCTION:

Performance measure or performance management is a procedure in which functional head and members of staff work together to map, observe, evaluate and assess an employee's work goals and targets and overall contribution to the firm.

Performance management comprises actions, which certifies that objectives are constantly being achieved in a positive manner. Key performance indicator or performance management can spotlight on the contribution of a firm, a division, subdivision, department, worker or even the processes to construct a product or services as well as many other areas.

Many companies have applied different performance management tools for computing their performance in order to remain active in business environment and stay alive in contact with tough competition. Organization does not face only more demanding condition from their valuable customers but they also face monetary weakness and crises as well in business circle. Due to these problems, organization must go for the performance appraisal and its measures to check the potential of their employees and workers to accomplish the desired goals and objectives. These reviews have become the most important aspects in business environment. Without the help of it, a functional manager or HR professionals are unable to measure the performance or willingness of the employees and workers towards the organization's desired objectives. Organization tries to measure its employees and workers performance according to their business need but now in current circumstances, it is very important to check the employee contribution from every aspect of the business so they can compete among their rivals and they can have good market contribution over others.

To check the performance of the employees, following steps should be kept in mind for it.

1. To identify learning and development needs for the particular appraisal.
2. Aligning individual objectives and business goals.
3. Assess past performance of the employees towards company's objective.
4. Target future performance and goals for betterment of the process.
5. To manage under performance.
6. To identify the hidden talent from the departments.
7. Employee engagement in different activities.
8. To compensate and reward to employees.
9. To complete the requirement of compliances.

¹ MS-Scholar, Mohammad Ali Jinnah University, Karachi (FA14-ES-0028)

² MS-Scholar, Mohammad Ali Jinnah University, Karachi (FA14-ES-0017)

³ MS-Scholar, Mohammad Ali Jinnah University, Karachi (FA14-ES-0016)



This study is conducted to check the employee performance towards company's goals and objectives. The data for study is extracted from KSE-100 Index listed companies. This study takes out the relation of two variables (Dependent and Independent) to spot the situation of the Organization. The essentials of variables are:

1. Dependent variable:
 - i. Performance.
 - ii. Job Knowledge.
 - iii. Initiative.
 - iv. Dependability.
2. Independent variable:
 - i. Punctuality.
 - ii. Work quality.
 - iii. Communication / Listening Skills.

The purpose of the study is to check the performance evaluation of the employees towards the desired goals and objectives.

This research involves quantitative aspects relating to employees performance. Data has collected from employees evaluation forms of KSE-100 Index listed companies, which are duly filled by their departmental heads. 05 evaluation forms are collected from each organization. The period of the data will be 01 fiscal year of the employee.

According to Tootell et. al (2009), HR measurement and performance appraisal have taken importance from 1980s. Similarly, according to Yeung and Berman (1997), he derived that HR measures should be collision rather than activity learn about, self-assured looking rather than backward looking and should edge on whole HR method and structure not just on one entity performance and practices.

According to Ulrich and Brockbank (2005), he appended that performance evaluation influences almost half of HR to strategic contribution. According to Norton (2009), he made a main point about what discriminates the grading card from other organization's performance management agendas in the open market. According to Huselid, Becker and Beatty (2005), they also confessed that HR grading card is designed to guide HR Professionals and management of the HR activities and functions. The most important part of HR grading card is strategic plan. According to Kaplan and Norton (1996), strategic plan is the plan, which represents the value chain of the firm.

According to DeNisi (2000), performance measure and appraisal refer to the variety of activities which are involved to ensure and determine the performance of the employees and to bridge the gap between targeted objectives and achieved objectives.

According to Baron and Armstrong (1998), he highlights the integrated and strategic nature of performance management, which in their view focuses on "growing the value of the firm by recuperating the performance of the people who work together and by developing the capabilities of teams and individual contributions.

According to Mondy et. al (2002), he defined performance measure as a procedure of assessing and evaluating of the people or team contribution towards the desired objectives. According to Roberts (2001),

performance appraisal involves the setting of commercial, team, departmental and personage objectives to timely accomplish it.

The basic aim of this research paper is to build up a model and research objective for performance measure and appraisal that is ashore in the Human Resource Management / performance measure and performance management field.

2. OVERVIEW OR THEORETICAL BACKGROUND:

In this research, we examine whether and how performance of the employees and workers can be checked in order to complete the desired goals and objectives of the Organization. We demonstrate the quality of employee information can influences the impact of performance on firm value and profitability by assessing them towards desired goals. A person who works with sincerity and honesty will ultimately lead to higher performance which automatically enhances the performance of the organization and people can fulfil the target goals efficiently and effectively.

3. RESEARCH PROBLEM:

In this paper, we will check the employee performance through performance measure and performance appraisal procedure whether an employee or worker is providing effective and efficient services to accomplish the desired goals or not.

Most of the firms are there who are unable to assess the gap in achieving their targets. Therefore, performance management is the key element to assess the employees and worker whether they are willing to accomplish the tasks or not. If they are willing to do then is there any need to educate them or not. Furthermore, with the help of their rating card, it will be easy to judge about the employee/worker performance towards the Organization goals and objectives.

With the help of this research, the HR Professionals will also be able to review their firm's current position and they will be able to take appropriate decisions about their employee's strength that the employees, who are in current strength, are suitable for desired tasks or they need to reshuffle from their departments. This will help not only the HR Professionals to take the decisions, also the information and knowledge will be useful to enrich the academic knowledge and understanding of management theory and specialized organization practices. This contribution will be useful to discover new information, as well as to expand and verify existing knowledge.

4. RESEARCH OBJECTIVES:

The basic aims and objectives of the study are as under:

- a. To check the employee performance of the Organization.
- b. To review the current strength position and their willingness to works.
- c. To assess and check whether employees need to reshuffle from their current department or not.
- d. To check the relationship between employee initiative and work quality.
- e. To check the impact of punctuality on employee performance.

5. HYPOTHESES OF STUDY:

- a. H0a: $\mu_1 = \mu$ (Performance management gives appropriate result about employee performance)
H1a: $\mu \neq \mu$ (Performance management does not give appropriate result about employee performance)
- b. H0a: $\mu_1 = \mu$ (Performance management exhibits employees' willingness for the objectives of the organization)
H1a: $\mu \neq \mu$ (Performance management does not exhibit employees' willingness for the objectives of the organization)
- c. H0b: $\rho \leq 0$ (There is a relationship between employee initiative and work quality)
- d. H1b: $\rho > 0$ (There is not a relationship between employee performance and work quality)
- e. H0c: $\eta_n = 0$ (Punctuality impacts on employee performance)
H1c: $\eta_n \neq 0$ (Punctuality does not impact on employee performance)

6. RESEARCH METHODOLOGY:

This study is conducted to check the employee performance towards company's goals and objectives. The data for study is extracted from KSE-100 Index listed companies. This study takes out the relation of 02 variables (Dependent and Independent) to identify the situation of the Organization. The essentials of variables are:

1. Dependent variable:
 - i. Performance.
 - ii. Job Knowledge.
 - iii. Initiative.

- iv. Dependability.
- 2. Independent variable:
 - i. Punctuality.
 - ii. Work quality.
 - iii. Communication / Listening Skills.

The purpose of the study is to check the performance evaluation of the employees towards the desired goals and objectives.

This research involves quantitative aspects relating to employees performance. Data has collected from employees evaluation forms of KSE-100 Index listed companies, which are duly filled by their departmental heads. The period of the data will be 01 fiscal year of the employee.

7. QUANTITATIVE RESEARCH:

In this research, Quantitative Method will be used. Data will be collected through employees evaluation forms of KSE-100 Index listed companies, which are duly filled by their departmental heads. Due to shortage of time, it is very difficult to take data from KSE-all Index, therefore, we will take data only from KSE-100 Index.

8. DATA COLLECTION AND ANALYSIS:

The source of data collection will be employee evaluation form and it is collected from each company HR Department. To analyse the data, 05 employees' evaluation forms are collected from each company. To analysis the data, different statistical tools like correlation and regression are used during research process for what data is collected. However, Microsoft Excel, Microsoft Word and EViews are also used to analysis data collection.

9. EMPIRICAL RESULT AND DISCUSSION:

9.1 APPROPRIATE RESULT OF PERFORMANCE MANAGEMENT OVER EMPLOYEE PERFORMANCE

According to the below result, the study reveals that there is a significant impact of work quality on employee performance of the firm as the p-value(*f-statistic is <0.05*). It is also observed that most of the firms are there which continuously focus to enhance their performance by educating their employees towards quality of work. Due to this, firms get maximum benefits from employees in term of efficient and effective production, which leads to higher performance of the employees.

Dependent Variable: Performance

Method: Least Squares

Date: 12/23/15 Time: 15:59

Sample: 500

Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11.13749	2.156440	5.164760	0.0000
WorkQuality	1.134337	0.150556	7.534304	0.0000
R-squared	0.083818	Mean dependent var		12.47715
Adjusted R-squared	0.082870	S.D. dependent var		69.83148
S.E. of regression	67.96041	Akaike info criterion		11.27773
Sum squared resid	4609380.	Schwarz criterion		11.28754
Log likelihood	-5636.863	Hannan-Quinn criter.		11.28146
F-statistic	56.76573	Durbin-Watson stat		0.315700
Prob(F-statistic)	0.000000			

9.2 PERFORMANCE MANAGEMENT EXHIBITS EMPLOYEES' WILLINGNESS FOR THE OBJECTIVES OF THE ORGANIZATION

According to the below result, the study reveals that there is a significant impact of work quality on job knowledge of the employees as the p-value(*f-statistic is <0.05*). It is further notified that as and when employees are performing well, it means that they are well-aware about their nature of jobs and vision and mission of the

organizations are clear to them. Those firms, whose employees are keen to accomplish the task and objective are clear to them, will always lead to higher performance over others. With the help of performance management, we can have knowledge about the work quality of the employees and their willingness towards the job.

Dependent Variable: JobKnowledge

Method: Least Squares

Date: 12/23/15 Time: 16:02

Sample: 500

Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	119.7220	15.24684	7.852250	0.0000
WorkQuality	0.064420	0.013274	4.853171	0.0000
R-squared	0.053056	Mean dependent var		143.5609
Adjusted R-squared	0.052077	S.D. dependent var		461.5643
S.E. of regression	456.4408	Akaike info criterion		15.08679
Sum squared resid	2.08E+08	Schwarz criterion		15.09661
Log likelihood	-7541.396	Hannan-Quinn criter.		15.09052
F-statistic	23.55327	Durbin-Watson stat		0.049809
Prob(F-statistic)	0.000001			

9.3 **RELATIONSHIP BETWEEN EMPLOYEE INITIATIVE AND WORK QUALITY:**

According to the below result, the study further reveals that there is a significant impact of work quality on employee initiative of the firm as the p-value (*f-statistic is <0.05*). HR Professionals continuously focus to enhance the employee performance by providing trainings and educating them with different training materials so they can be able to give maximum output from their sides. If employees work quality is good then they will ultimately become de-centralized and will take appropriate decisions to enhance the performance of the firm. With the help of this result, HR Professionals can be aware that if employees are taking initiative for any particular decision in order to increase the efficiency of the work then it will ultimately lead to higher performance of the employee and quality of work will be up-to-the-mark.

Dependent Variable: Initiative
 Method: Least Squares
 Date: 12/23/15 Time: 16:02
 Sample: 500
 Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.779448	2.139321	4.571287	0.0000
WorkQuality	0.609157	0.065539	9.294520	0.0000
R-squared	0.079665	Mean dependent var		12.47715
Adjusted R-squared	0.078743	S.D. dependent var		69.83148
S.E. of regression	67.02574	Akaike info criterion		11.25003
Sum squared resid	4483465.	Schwarz criterion		11.25984
Log likelihood	-5623.014	Hannan-Quinn criter.		11.25376
F-statistic	86.38811	Durbin-Watson stat		0.301599
Prob(F-statistic)	0.000000			

9.4 **IMPACT OF PUNCTUALITY ON EMPLOYEE PERFORMANCE:**

HR Professionals implement different time management policies to ensure that their employee should be punctual and come on time. If employees are punctual then they perform well. According to the below result, it is illustrated that there is a significant impact of punctuality on employee performance as the p-value (*f-statistic is* < 0.05). With the help of below result, HR Professionals will try to keep their employees regular and punctual in order to get desired performance which will lead to higher production.

Dependent Variable: Performance
 Method: Least Squares
 Date: 12/23/15 Time: 16:02
 Sample: 500
 Included observations: 100

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.779448	2.139321	4.571287	0.0000
Punctuality	0.609157	0.065539	9.294520	0.0000
R-squared	0.079665	Mean dependent var		12.47715
Adjusted R-squared	0.078743	S.D. dependent var		69.83148
S.E. of regression	67.02574	Akaike info criterion		11.25003
Sum squared resid	4483465.	Schwarz criterion		11.25984
Log likelihood	-5623.014	Hannan-Quinn criter.		11.25376
F-statistic	86.38811	Durbin-Watson stat		0.301599
Prob(F-statistic)	0.000000			

10. **RESULTS AND DISCUSSION:**

This study is conducted to check the employee performance towards company's goals and objectives. The data

for study is extracted from KSE-100 Index listed companies. This study takes out the relation of 02 variables (Dependent and Independent) to identify the situation of the Organization. The essentials of variables are:

1. Dependent Variable:

- i. Performance.
- ii. Job Knowledge.
- iii. Initiative.

- iv. Dependability.

2. Independent variable:

- i. Punctuality.
- ii. Work quality.
- iii. Communication / Listening Skills.

The purpose of the study is to check the performance evaluation of the employees towards the desired goals and objectives.

This research involves quantitative aspects relating to employees performance. Data has collected from employees evaluation forms of KSE-100 Index listed companies, which are duly filled by their departmental heads. Five evaluation forms are collected from each organization. The period of the data will be 01 fiscal year of the employee.

The main purpose of the study are as under:

- a. To check the employee performance of the Organization.
- b. To review the current strength position and their willingness to works.
- c. To assess and check whether employees need to reshuffle from their current department or not.
- d. To check the relationship between employee initiative and work quality.
- e. To check the impact of punctuality on employee performance.

To examine the study, quantitative method has used to determine the results and statistical tools like correlation and regression are used to check the impact of variables over other. The data have been collected from KSE-100 index listed companies.

According to the analysis, following results are found from the research:

- There is a significant impact of performance management over employee performance
- There is a significant impact of performance management on employees' willingness for the objectives of the organization
- There is a relationship between employee initiative and work quality:
- There is an impact of punctuality on employee performance:

11. CONCLUSION AND RECOMMENDATION:

According to the above results discussion, it is observed that there is an empirical relationship between performance management and measure on employee performance. With the help of this study, a functional manager or HR professionals are unable to measure the performance or willingness of the employees and workers towards the organization's desired objectives.

The data have been taken from KSE-100 Index listed companies and 05 evaluation forms from each company have been taken. To study more and detailed review, data can be taken from KSE-All Index to find more results and suitable prediction of performance management. The study is opened for future researchers to take more data to find out other results of the study.

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COMPANY LOGO

COMPANY NAME

Employee Performance Review

Employee Information					
Employee Name				Employee ID	
Job Title				Date	
Department				Departmental Head	
Review Period		to			
Ratings					
	1 = Poor	2 = Fair	3 = Satisfactory	4 = Good	5 = Excellent
Job Knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Comments</i>					
Work Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Comments</i>					
Attendance/Punctuality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Comments</i>					
Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Comments</i>					
Communication/Listening Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Comments</i>					
Dependability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Comments</i>					
Overall Rating (average the rating numbers above)					
Evaluation					
ADDITIONAL COMMENTS					
GOALS (as agreed upon by employee and manager)					
Verification of Review					
<i>By signing this form, you confirm that you have discussed this review in detail with your supervisor. Signing this form does not necessarily indicate that you agree with this evaluation.</i>					
Employee Signature				Date	
HOD's Signature				Date	
Human Resource Manager Signature				Date	
Director's Signature				Date	