AFA model of Performance Management System (PMS) from a Practical perspective: a conceptual framework

Safaa SHAABAN & Sahar BADWAY
Business department, BAEPS- The British University in Egypt (BUE)
Cairo, Egypt
Safaa.shaban@bue.edu.eg; sahar.badawy@bue.edu.eg

ABSTRACT

Performance management System (PMS) is a systematic approach that bring into line structures, stages, processes, and procedures through a series of establishment activities to assure quality and progress toward organizational goals which enable an organisation to work systematically and to track the connection between outcomes. PMS has its origins in three main theories: goal-setting; public-choice; and expectancy theory. These theories contribute to the understanding of employees motives to perform according to the required standards. However, the models introduced for PMs has three common features: they are focusing on the process, emphasizes on quantitative measures and address the evaluator/ organisation point of view. This can justify why employees complains about PMS. Through a qualitative study in several Egyptian companies, this paper introduces a model for PMS from the perspective of performers and discussing the integration between quantitative and qualitative performance measures. The introduced model has three clear stages: Agreement on objectives, Feedback and Agreement on appraisal.

This study, though with some limitations in term of response and scope of study has served the purpose of initiating research on considering the other side of the performance equation which is the performer, which can be used as a basis for further study and benefit to the management of organizations in the service industry. The study offers theoretical and practical recommendation and suggests further research areas related to performance measurement practices and measures. This would enable managers to focus on the issues that positively influence both individual and organizational performance.

Keywords: PMS, Systematic, Model, Practices, Agreement, objectives, AFA model, Feedback and appraisal.

1. INTRODUCTION

In a number of operational, market, and human resources applications, organisations are increasingly seeking to develop, inspire, and improve the performance of their people to improve the organisation's performance (Güngör, 2011). It has been noted that when it comes to performance, as a productive and efficient employee, is highly related to organisational performance. The individual's performance will have a beneficial impact on the organization's performance. According to (Lynn & Akgün, 2001), organisational performance criteria should encompass not only staff morale, profitability, marketing effectiveness, and customer satisfaction are all important factors to consider, but also the output of employees.

Efficiency and effectiveness have become two crucial phrases in the management of every organisation. Human capital in modern enterprises is expected to perform at the highest level possible. To get the most out of employees, a company must implement procedures that increase employee engagement, organisational performance, and individual performance (Hervie, Illés& Dunay 2021). Organizations must rethink how they hire, train, and reward their employees in order to organize efficiently; as a result, people may be encouraged to be competitive. During an employee's working life, performance assessment is a vital tool for aligning employee behaviour with company goals, objectives, and expectations. Performance assessment accomplishes its goals by defining work tasks and expectations, establishing clear goals, and giving data to support human resource choices such as promotions, reorganizations, and talent management.

However, despite the benefits of performance measurement, effective performance management is fraught with difficulties (Lawrie , Marshall , & Cobbold, 2004) . Due to a fear of straining working relationships with crucial people beneath them, management frequently fails to provide honest and genuine developmental feedback to employees. These essential people are frequently the persons on whom management relies to meet their work deadlines (Cardy & Dobbins, 2004). Employees, on the other hand, believe that their bosses are useless in discussing their performance and assisting them in developing their work skills. Some employees may also be unaware of the significance of performance feedback and how it influences their future career chances (Idemobi & Onyeizugbe, 2011). The purpose of this research is to examine and investigate the influence of a performance management system on employees.

Statement of the Problem

As a result, employee performance management (PMS) on the individual level, organisations will results of a good performance. Since different methods for managing and arranging employees' labor could lead to better employee performance and, in turn, better organisational performance. (Neumark & Cappelli, 1999). Performance management techniques have gotten more sophisticated, differentiated, and revolutionized over time. As a result, several alternative measurement systems have been developed, including: Performance Contracting, Balanced Scorecard, Business Excellence Model, Key Performance Indicators (Meng & Minogue, 2011).

The need to completely integrate the human element is at the heart of all alternative performance management and measurement approaches, overcoming the limits of previous practices such as limiting employee power and decision-making autonomy, and incorporating psychological and social demands of employees. (Neumark & Cappelli, 1999)

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This paper will present clear steps in managing the performance of individual within the organisation.
Research Objectives.
•To determine the practical process of Performance Management system PMS
•To establish the level of employee productivity based on systematic process.
•To introduce the theoretical practical framework to the literature.

2. LITERATURE REVIEW

Performance management system (PMS) is concerned with the management of individual's performance. Performance can be defined as the way in which companies, groups, and individuals carry out their tasks (Armstrong, 2014). Another wider view on performance, presented by Brumbach, that, performance is encompasses both behaviour and outcome; behaviors emanate from the performer and transform performance from thinking to action. (Brumbach, 1988). According to Ingram and McDonnell in (1996), performance is defined as the result of attaining organisational goals as a scale of success.

PMS is a strategic and organisational strategy to describing, evaluating, executing, and continuously improving organisational performance. It consists of approaches, frameworks, and indicators that help organisations formulate their strategies and allow employees to obtain strategic insight, allowing them to confront strategic assumptions, improve strategic thinking, and inform strategic decision-making and learning (Marr, 2006). It is viewed as an integrated process in which managers work with their employees to set expectations, monitor and review results, and reward performance in order to increase employee performance and, in turn, favorably impact organisational success (Mondy,Noe,& Premeaux , 2002). Simon defined PMS as "the formal, information-based processes and procedures used by managers to sustain or change patterns." (Simons, 2000).

Literature has highlighted several main characteristics for designing effective PMS including: the alignment with organizational goals and objectives; supporting the organization's overall direction; effective performance tools and processes and finally being accepted by concerned parts (Caixote, Mothusi, & Molokwane, 2020). Scholars has used four theories in their efforts to explain the mechanizes of PMS, these theories are goal-setting, public-choices, expectancy and equity theory. The first three theories were used to explain the logic guiding the design on the systems whereas expectancy and equity theories are used to explains students reaction to PMS(Caixote, Mothusi, & Molokwane, 2020). On the other hand, Balance Scorecards, KPIs and Business Excellence Model (BEM) were introduced as models for performance management. These models address the organizational level for performance management not the individual level (Meng & Minogue, 2011). Literature devoted great efforts to study PMS in different contexts including governmental, private and public organizations (Sole, 2009; Bento & White, 2006; Mwita, 2000) Parthiban & Goh, 2011) in both developed and developing countries (Caixote, Mothusi, & Molokwane, 2020), however, very few attempts were made to integrate the individuals in the PMS models. For example, Goncharuk and Monat to conjoining internal benchmarking, external benchmarking, and a strong employee performance /behavior paradigm (Goncharuk & Monat, 2009). Another attempt was made by Buchner who tried to consider the performer perspective but with an HRD lens (Buchner, 2007).

In this paper we investigate PMs from three perspectives: employees' perspective; managers' perspective and HR staff perspective. Using qualitative approach, a PMS model is introduced with a discussion of the three perspectives.

3. METHODLOGY

Research design:
This study used a qualitative method of research design.
Qualitative approach and study group. The main criteria in identifying the 50 participant employees with HR staff and managers included both female and male in the Egyptian companies and universities applying PMS. The majority of the sample were also selected randomly. The participants were meet in groups and individually. The AFA model of Performance Management System (PMS) was draw based on the feedback from groups and individuals. The researcher shows the participants the diagram the companies agreed about it and confirmed these are the correct steps take place in the PMS, and they were asked to identify the main dimensions from their perspective. Table 1 shows the sample chosen for this study and Table 2 shows the elements and process.
Sample selected:

Sample selected:

Table (1) the sample group categories

Category	*Mangers*	*HR*	*Employees*
Number	*10*	*10*	*30*

Table (2) the sample group and individuals

Focus group number	**Company Represented**	**Topics for In-Depth discussion**	**Researchers represented**	**Face to Face/ online interview**	**Number of participants**
Individual meeting	BUE university and 1 company	1- Steps of the PMS and main items included	Author of this paper	Face to Face	15
Group and individual	3 groups of CSO in middle east			Face to Face	15
Group and individual	2 companies in Egypt			Face to Face	20
Sample participated in the study		3-Presentation of the final framework with main elements (diagram 1)	Authors of this paper	Face to Face	50

4. SUGGESTED AFA MODEL

AFA model of Performance Management System (PMS) from management point of view (10 Managers):

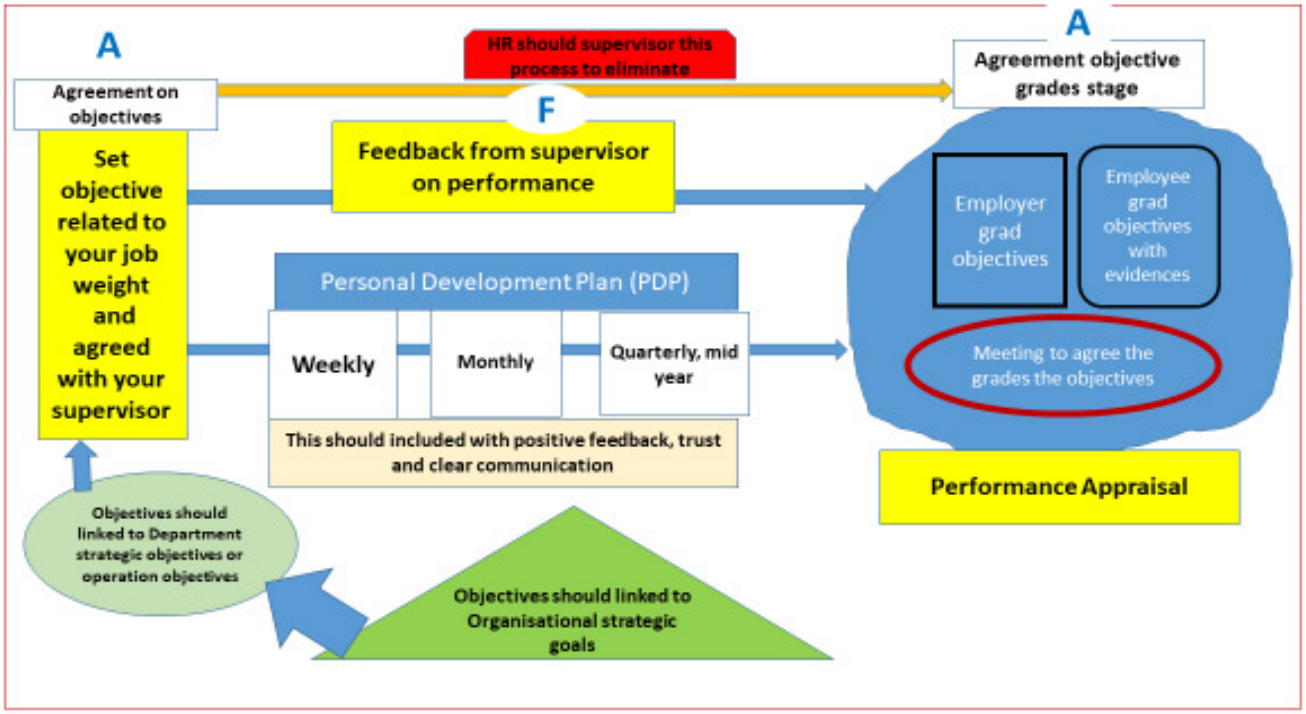

Diagram (1) AFA model of PMS

As diagram (1) shows above the suggested AFA Model presenting in this study is presenting three clear stages are Agreement on objectives, Feedback and Agreement on appraisal based on the manager and HR representative point of view,

Agreement on objectives (A Level): Agreement on Objectives (A level) Performance Planning is accomplished by a process of conversation between the executive (direct manager or supervisor) and the employees to arrive at the Key Performance Areas (A level) (KPAs). It includes of: (1) Defining expectations, i.e. the work that needs to be done and the outcomes that need to be reached. (2) Setting "Measures" and "Targets," as well as prioritizing and weighing the importance of the desired outcomes. (3) Identifying and distributing adequate resources to enable the achievement of the objectives. (4) agree on the individual's improvement feedback plans and development needs.

KPI identification: When developing work objectives and measures, be sure that: o Goals, Targets, and Objectives are SMART (Specific, Measurable, Agreed, Realistic and Time bound). The executive has a lot of control on the outcome. o Measures are linked to outcomes. Measurement data is available.

After sufficient discussion between the redeployee and the line manager/ supervisor, an agreement on mutually agreeable and achievable performance targets is reached; it is based on a draught MOU that is cascaded from Top to Bottom and uploaded on the organisation network by HR before the start of planning for the relevant year; it is the responsibility of the HOD to ensure that KPAs identified have sufficient "stretch targets" cascaded down to achieve individual / team goals; it is the responsibility of the HOD to ensure that KPAs identified
Feedback (F Level):

Continuous feedback is a regular channel of communication between management (perhaps the immediate supervisor) and employees for the purpose of providing and receiving employee performance inputs. The purposes of the feedback are to improve the performance in a line with the objectives and to develop an individual feedback.

PMS provides the opportunity to capture the developmental needs of the executive in the Individual Development Plan (IDP). To pursue the objective of development of executives, the emphasis is on 3Es are: Education includes (Training courses, Reading, Participation in Professional Circle, Business Minds, etc.); Experience includes (Job Rotation & Action Learning Project): Exposure (Membership of Professional Networks, Representation in various Committees).

The prior year's performance serves as the foundation for determining the manger/ supervisor training and development needs for their employees and theme self. The identified development needs should assist the manger/ supervisor in delivering rapid results. At the start of the evaluation year, the manager/supervisor and employee must agree on an individual training and development plan.

Continuous Conversation feedback: Performance management is a continuous process, not an event. Continuous Conversation feedback reviews were implemented to encourage real-time performance feedback and two-way communication between managers and employees, as well as to promote transparency through continuous performance feedback. Feedback from

ongoing conversations is beneficial in the following ways: (2) Continuous discussion and feedback on progress (2) Timely reinforcement of good performance (3) Updating the status of targets, i.e. progress review (4) Identifying areas for "mid-course" correction (5) Reviewing KPAs and goals, if necessary (6) Assessing resource and skill requirements affecting the individual's performance (7) Providing early warnings of non-performance, i.e. avoiding year end surprises (8) Giving prompt praise and comments on performance Both the Executive and Reporting Officers can use the PMS form to start Continuous Review throughout the year.

Agreement on appraisal (Annual assessment) (A Level)
The goals of annual evaluation are to: (1) discuss and evaluate performance in relation to agreed-upon goals. (2) Agree on the individual's improvement plans and development needs.

AFA model of Performance Management System (PMS) from employees point of view (30 employees):

Based on meeting two groups from different firms and organisations give the authors of this study two different point of view:

Group 1 (15 employees from CSOs)
The study targeted 15 employees located in the three CSOs reported their feedback based on five components are:

- *Strategic planning***:** Performance management assessments are used in many long-term workforce planning models to assess the "quality" of the workforce and whether the firm is attracting and retaining skilled individuals.in the CSO this is applying on the lone term programme up to 5years, however with long term project between 6-24months it takes the project management cycle performance that applying management by result or objectives.

This affect to attract more funds and open more project in needed areas for the CSO and community they serve.so normally objective set derive the projects and programme rather than organisations objectives to be accepted by the diners.

- *Compensation and Reward***.** Most firms base pay-for-performance compensation practices on performance data, whereas CSOs do not.
- *Individual and team development plan***.** An individual development plan (IDP) is frequently utilized as a last documented step in the performance evaluation process to aid employees in goal setting and individual development that would serve to enhance their career and promotional chance. The IDP helps us to design our annual CSO training and development plan
- *Succession planning*. Performance data over time are vital inputs for long-term planning for future organizational leadership, that not apply for CSO as their planning based on receiving a fund and according to donor's strategic planning fitting the CSOs. However good performance in previous projects and programs supporting the CSOs in gaining more fund from international donors.
- *HR technology systems***.** Many firms utilize software to manage the processes of goal-setting, performance evaluation, and performance improvement programs. The 5 CSOs reported that they have imbedding system for PMS, however it is not reflected on the payment, but we used it to support our proposal to gain fund.

Group 2 (15 employees from companies allocated in Egypt):
All employees agreed that the PMS is an electronic system in the company, on company internal network.

The study targeted 10 employees located in the three CSOs reported their feedback based on three components are:

Component one: goal setting
Goal setting is the process of determining short-term and long-term objectives. It is the performance criteria against which an employee will be judged. Individual employee performance goals should ideally match with company and department objectives. The following are examples of shared aims for each department: Job objectives; project objectives; behavioral objectives. In addition to focusing on a few main goals per year, all of our objectives should be SMART.

Finally, our objectives should be effective and participatory. To ensure comprehension and commitment, both the manager and the person should be involved in the establishment of goals. Goals should be documented, available for inspection, and acknowledged on a regular basis. Goals must be adaptable.

Component two: performance review
the employees in the companies confirmed that, the practice of evaluating an employee's progress toward goals is called a performance review. all employees' strengths and shortcomings are recorded on a regular basis so that the organisation may make educated and accurate decisions about their contributions, career growth, training needs, promotions, pay increases, and other matters. the quantitative and subjective considerations of how to measure and evaluate employee performance results are part of performance review and evaluation**.**

Component three: performance improvement plans
Employees who are new to a role or are unclear about performance expectations can use an individual development plan (IDP), as can employees who consistently fail to meet performance expectations and whose performance may necessitate the start of a progressive discipline process regarding the performance level.

The process's guiding document is crucial because it facilitates performance conversations, captures areas of concern and solutions, and acts as legal and decision-making documentation. The IDP will differ depending on the company, however it should include the following elements

5. DISCUSSIONAND CONCLUSION

The present study resulted in the empirical validation of the PMS from a practical level. In this part will discuss and conclude the main findings on the practical level of the module.

Although the AFA module take place in many companies and CSOs working nationally and internationally, however still some errors and not as planned application take place or in other part some part are applying while the other are not.

In the following we will present a three main area for discussion commons of the PMS, errors and recommendations

The most **commons** were presented in this study by the sample main about performance review systems: There are several

different types of PMS in use. Each system has advantages and disadvantages. It is important employees and manager provide with a clear definition of each level of performance must be supplied regardless of the style or format of the chosen method for reviewing an employee's behavioral and job standards. To help raters evaluate an employee, samples of behaviour, skills, measures, and other performance factors should be presented.

Ranking. Employees in a given group are ranked from top to lowest in order of performance in ranking systems. The main disadvantage is that quantifying individual performance differences is challenging and may require making extremely small if not meaningless—differences and identified with description in each rank. For example, the difficulty of tasks is different from job to other job.

Forced distribution. Employee ratings are distributed along a bell curve, with the supervisor awarding a specific percentage of the ratings within the group to each performance level on the scale. Supervisors may be obliged to include some employees at either extreme of the scale when they would otherwise position them somewhere in the middle if the actual distribution of employee performance does not follow a bell curve.

360-degree feedback. This method gathers information regarding an employee's work-related behaviour and its impact from the employee's supervisor, coworkers, and subordinates. This method of evaluation is commonly used for staff development. This form of appraisal is widely favored for employee development purposes. The majority of companies' study targeted using this method for mangers only, however it is a matter of complements rather than reality.

Competency-based. Performance is judged against specified skills (rather than specific tasks or behaviour) that are identified for each position in this type of system.

Management by objectives. Management by objectives (MBO) is a collaborative process in which the organization's, various departments', and individual members' goals are created. Employees are evaluated on a yearly basis based on how successfully they met the goals' objectives. No routine occupations, such as those of managers, project leaders, and individual contributors, are particularly well-suited to MBO.

Behaviorally anchored rating scales. BARSs are behaviorally anchored rating scales that aim to evaluate employee behaviour rather than individual traits. The assessment tool usually includes a set of specified actions that indicate different levels of performance and are used as "anchors" for ranking individuals on various job dimensions. Because it is based on detailed job analysis and the collection of significant occurrences for each specific job, developing a BARS assessment tool takes time and money.

A number of frequent rater **errors** exist, regardless of the review mechanism employed. HR should lead the charge in training managers to recognize and mitigate their impact on the system. Typical blunders include:

Lack of differentiation. Because raters are generally hesitant to cast judgement or lack the confidence to defend their evaluations, they may give everyone the same rating. This attitude can be lenient (everyone receives great ratings), severe (everyone receives negative ratings), or a general feeling that everyone is doing OK (and everyone gets rated in the middle). Poor training or a failure of an organisation to clear that performance-based judgments are an important component of the managerial function can often be blamed for a lack of willingness to discriminate.

Recent effect. When managers fail to measure performance, provide feedback, and document results on a regular basis, they frequently forget about the earlier portion of the performance period. As a result, they place an excessive emphasis on recent occurrences.

Halo/horns effect. When an employee is highly skilled or inept in one area, and the supervisor grades the person accordingly high or poor in all areas, the "halo" and "horns" effects ensue.

Personal bias/favoritism. Some supervisors may let their personal sentiments towards employees or their impressions of them influence the performance evaluation process.

Inaccurate information/preparation. Managers frequently fail to obtain essential information about an employee's actual performance from those who deal with the employee most closely, resulting in an incorrect appraisal.

Many of the **problems** usually associated with performance management systems, as stated by employees, are identical to those that plague any other organisational project, but with far more serious repercussions.

Lack of support from top management: If senior management does not communicate to managers and supervisors that assessing employee performance is a good use of their time, they are more likely to either fail to dedicate the time or merely fill out the forms without engaging in the essential dialogues with their employees. Managers and employees will remain unconvinced of the process's worth unless senior management actively engages in it and takes major responsibility for it.

Time-consuming process Perception "busy environment": Managers will regard the process as "busywork" of little value and a waste of time unless there is an organisational commitment to it and a clear knowledge of how it contributes strategically to the organization's effective performance, and as it is linked to annual raise it is considered as time consuming from both managers and employees.

Lack of communicate clear and specific goals and expectations: For an employee to be able to carry out an agreed-upon aim, a manager's exact expectations must be clear. Goals can focus attention, improve persistence, and inspire the creation of methods or plans to achieve them. Clarifying and discussing the performance targets for the following year is a good use of a manager's time because it prevents misunderstandings and surprises. Follow-up communications can be used to remind staff about their progress and to reinforce certain goals.

Lack of consistency: Some managers are seen as "tough" and others as "easy" in most workplaces. Because of this discrepancy, various groups of employees may receive different interpretations of an organization's performance evaluation scale. As a result, HR should train managers on how to use the rating system to avoid inconsistencies, some manger doesn't have IT skills to use the system electronically, also they should to be trained. Despite training and good intentions, there will nearly

always be discrepancies in the interpretation and use of the rating system. As a result, some companies within the same industry use greater levels of evaluation to calibrate ratings across a broader number of people, or even the entire workforce.

Based on the comes, error and problems presented above some quick recommendations will be presented during conducting the AFA module given by this study are:

- A constant and timely feedback procedure during the evaluation period so that employees know how they are doing and what is expected of them.
- A conversation in which performance feedback is compared to clear and explicit goals and expectations stated at the start of the performance management cycle.
- A method for the manager and the employee to acknowledge the results of the performance review procedure in writing.
- At least once a year, a two-way individual chat between the management and the employee (ideally face-to-face).
- Linking Linkage to other HRM systems, the importance of the relationship and alignment between the PA process, which forms the basis of most PM systems, and the HRM system has been well documented (Travor, 2019)

Finally, our research leads us to various conclusions. First, our scoping study suggests that research in the field of PM is disproportionately divided among aspects of the process, with PA factors like format and psychometric qualities being investigated more frequently than concerns like feedback and goal alignment. Second, we can see that the field is still focusing on the narrower field of PA rather than the broader field of PM. While the restricted topic of PA, which focuses heavily on employee appraisal, may be more suited to HRM and psychology, the broader field of PM is well connected with HRD for the reasons we outlined in our introduction. In fact, we agree with Werner (2014) that PM could be beneficial.

We believe that this paper, which includes a scoping review of the literature as well as the identification of research needs, will serve as a springboard for future HRD research.

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