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The impact of performance management on the organizational performance

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Abstract

Nowadays, the leading force and the basic structural fundament in many businesses are human resources. As humans are different, due to this fact, they need different kinds of approach when being managed. There can be a lot of factors that influence the organizational and individual level performance. In this research, I have tried to find answers to some questions;

To start with, this research project aimed to give detailed and comprehensive information about the theoretical parts, dimensions and aspects of performance and performance management. In order to fetch accurate information and to get right comparisons, a lot of authors' works were investigated and due to all this information the first article was written. Later on, the advantages of performance management system for the organization and for individuals themselves were investigated and compared appropriately. Finally on first chapter, the key features of effective performance management system were researched deeply and the methods of building this kind of management for the organization are presented.

Moreover, the second chapter focuses more on the implementation stage of all the searched tools and techniques on individuals and as practical stage, I have added the information about how a private sector company applies these tools in practice. However, this stage provides information about performance appraisal and evaluation processes and techniques more. Thus, this research paper also gives information about how to boost employee productivity and how the investigated company uses the motivational tools in order to empower productivity.

The results and recommendations section emphasizes the final findings that I have been investigating for the whole period.

Introduction

In today's globalized and fast-paced world, a plethora of successful and failure business samples can be observed everywhere. The respond to the question of what makes a business more developed than others is literally considered to be the people who work for the company.

Performance is understood as success of the organization in relationship with its goals that were set in advance. There included outcomes achieved, or accomplished through contribution of individuals or teams to the organization's strategic goals. The term performance relates economic as well as behavioral outcomes. In many sources, the performance management is expressed as a tool for appraising employee performance. When starting to understand the essence of performance management, first of all we should consider that it is not just a yearly meeting organized for appraising the employee performance during the given time. On the other hand, it should not also be perceived as a preparation time for that appraisal meeting.

As one of the most important issues of Human Resources procedures, Performance Management is sometimes can be mistaken for human resources and HR systems, but it is very different from implementation. While performance management consists of methodologies, processes, software tools and systems that manage organizational performance, human resource planning is only responsible for the job responsibilities and performance of individual employees.

The benefits of performance management enable you to calculate risk by increasing your ability to engage in broader and more indirect involvement in decision making and better understanding of accurate and relevant information to implement your organization's strategy. Performance management requires a lot of management roles, which should be communicators, leaders, and collaborators. Each individual in the team must understand exactly what their responsibilities are, what they expect, and what they should do to achieve their goals.

Many organizations will move from one improvement program to another, and one of them will provide such a large and vague result. Most managers will admit that pulling the lever for improvement has little or no long-lasting change. The key to improvement is constantly integrating and balancing multiple programs. You cannot break a chain by simply implementing one improvement program and excluding other programs and initiatives.

There must be a strong connection between issues and organizational strategies. The way an organization implements performance management can be impacted by a variety of issues facing the organization's history, goals, mission, vision, strategic priorities, and economic, political, demographic, and technical environments.

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CHAPTER 1. THE THEORETICAL AND METHODOLOGICAL ASPECTS OF PERFORMANCE MANAGEMENT

1.1. The concept of performance and performance management

In today's globalized world, according to highly developed business standards, all companies try to keep pace with their rivals. In this stage of competition, as the labor force of the company realizes most of the work to be done, an effectively maintained performance management system acts to be the basis of the company. In order to understand the nature of performance management and how to build a system that both manages the performance and carries the business forward at the same time, first of all, we need to comprehend the essence of performance. *Employee performance* can be understood as the employee behavior which focuses on completing given assignments and meeting targets when the deadlines are due. Apart from meeting deadlines, employee performance is more likely to be a criteria which defines how the employees should act in the workplace. This kind of performance is a sub-division of whole organizational performance and it's the main step in task achievement. Individual performance contributes to organizational performance. Managers should focus on what the employees are doing and how well they are doing their tasks. These tasks ought to be job-related and employees have monthly, quarterly or annually must-complete performance deadlines which will be comprehensively described in later paragraphs.

Performance is a concept that demands to acquire expected outcome which was set by the management. Companies need to employ people-centric approaches to succeed in effective employee performance. It is a multicomponent phenomenon and contains following components:

- a. *Job participation.* This indicator portrays the psychological and physical involvement levels of employees towards realizing and achieving a particular goal. Here, employees not only need to be working on the task physically, but also they are expected to be willing and enthusiastic about their work. Managers are possibly aware of this tendency and they are trying to promote job

participation of employees by the help of some motivator mechanisms such as financial rewards, appraisal meetings, holidays and so on.

- b. *Organizational-industrial psychology.* I-O psychology is a branch of psychology which aims to improve work place productivity. This type of psychology focuses on mental and physical well-being of employees including all employees as well as managers. Being a component of employee performance, organizational psychology helps supervisors to understand employee reactions, dissatisfactions, performance malfunctions and reach a compromise as soon as possible in order not to slow down the enterprise.
- c. *Technical skills.* Another component of workplace performance is technical skills. Technical skills refer to technical knowledge of an employee for achieving a particular goal. The term “technical” means the skills that are related with the realization of the work and these skills must be relevant to the given work. For instance, a Human Resources worker can be tasked by only HR procedures because he or she is able to perform HR technical skills. Thus, the employee performance is mainly associated with technical skills of the employee.
- d. *Job design.* Job design or work design simply means outlining the task for the employee, that is, the way of managerial force’s adapting the task for the abilities of employee. We should understand the job design as conducting appropriate tasks, duties, responsibilities, qualifications and methods to satisfy organizational needs of the company, as well as, individual needs of the job-performer.
- e. *Task achievement.* Task achievement or, in other words, task realization is the acquisition level of the given task and is the foremost component of employee performance since it reflects utterly the performance itself.

Described components above are necessary parts of effective employee performance since effective and desirable employee performance not only stems

from employee-related factors but also environmental, motivational and professional impacts play tremendous role. With all its components, it's clear that, employee performance is a whole harmony of a working environment, within this environment, the acts of jobholder and the responds, additionally, feedbacks of manager to this period of getting job done.

As employee performance is a complex phenomenon, it would be easier to understand by dividing it to its types. There can be discussed three dimensions of employee performance in an organization. "Task performance is a relationship within an organization where an employee fulfills the formal requirements of the job's essential duties. Therefore, task performance can also be referred as to how well an employee performs the required tasks associated with his or her job, and how well an employee meets the official expectations."¹ ***Task performance*** is a type of performance where employees apply most attention and energy to get the task completed. Task is the priority here and it must be achieved by using technical skills effectively and efficiently in order to fetch a high standard work. Main objective of jobholder is to realize work as soon as and as perfect as possible.

The relationship between goal setting and task performance is also an issue that should be discussed while trying to understand the concept of task performance. In a research which was conducted in the subject of goal setting, it was found by the researchers that a review of both laboratory and practical studies on the effects of setting goals when performing a task found that; "In 90% of the studies, specific and challenging goals lead to higher performance than easy goals, "do your best" goals, or no goals. Goals affect performance by directing focus, mobilizing effort, boosting persistence, and motivating strategy development."² A *goal* is an objective, an ambition that employee is trying to achieve during a

¹ Williams and Anderson (1991)

² Goal Setting and Task Performance (1969-1980)

certain time period. We should also consider performance standards, quotas, work norms, tasks, objectives, deadlines and budget during the goal setting process of a jobholder as given concepts contain the parts of task.

- a. *Performance standard* is a measurement of the completed task. It provides the worker with certain expectations that should be met by assisting the jobholder with the help of some behaviors and actions that show satisfactory job performance. The aim of performance standards is to communicate employee with expectations and make the performer take every detail into consideration while performing.
- b. A *quota* is relevant with the minimum level of anything. In a set task, quota shows the minimum amount of work or production that should be completed.
- c. *Work norm*. This term is connected with the first component, performance standard, and estimates the standard of acceptable behavior which is defined by the performer group. Work norm is a behavior held by members of team or organization that is concerned by task performer as which behavior is right and which is wrong, good or bad, banned or unbanned. Work norms are results of what working team are and do.
- d. *Task* can simply be understood as the smallest piece of work to be accomplished or undertaken. It may well vary among the various components of the project.
- e. *Objectives* are the aims of an action or series of actions committed by the employee. An objective is a specific result that is meant to be achieved within a time constraint. They are more specific than goals and it is easier to measure them. For instance, reducing expenses can be an example of objective.
- f. *Deadline* is a final time a task is ought to be finalized by.
- g. *Budget*. In business dictionaries there are various types of definitions about budget. Whereas, in task performance budget is a term which is similar to deadlines. Budget can be comprehended as maximum spending amount financial or other resources. In brief, budget is limitation system of particular

resources which are spent while performing particular tasks and meeting deadlines.

When an employee performs *adaptive performance*, it means this employee always tries to keep himself/herself updated. This kind of updates can be by getting new skills, new methods, participating in new trainings, task exchanges – doing another employee’s task in order to be tried in other aspects of workplace – and so on. All these new experiences are implemented by the employee in *adaptation* processes which can be crucial in the cases where the employee must perform fast adjustment to spontaneous changes. In brief, employee tries to gain new skills and knowledge in order not to baffle in changeable situations. This kind of performance may well be crucial in a wide array of situations since working conditions can vary day by day. Employees are expected to show adaptive performance in following situations and forms;

- A. For dealing with *uncertain or unforeseen situations* there are several steps to be taken. First of all, a damage report should be prepared in order to observe the level of harm which is caused by uncertain danger. By doing it, employees can understand new circumstances as soon as possible. Secondly, jobholder should be able to control his or her emotional response. If the emotions are properly controlled, one can be able to think and perform logically. Next, the employee should focus only on long-term goals. Instead of short-term thinking, long-term concentration will help the employee to evade the problem and have a clear thinking of situation. Furthermore, after starting to think for a long-term, the employee will have a chance to clearly communicate the challenge which can enable him to provide his team with the information about the issue and how to deal with it. As a final stage the employee should settle on a solution. This is the foremost stage and all other four stages must be pursued in order to reach an effective solution.

- B. *Handling emergencies or crisis situations.* Crisis is a state that can find you when you're most unprepared. Adaptive performance in this kind of situations should be implemented as soon as possible, since the more the employee waits, the more damage will be caused. High levels of empathy and concern are essential if a lot of victims are involved in the emergency situation.
- C. *Solving problems creatively.* In order to reach a creative problem solving level, first of all the problem should be identified correctly. This is the most difficult step. If the problem isn't clarified properly, the solution will not be suitable for the situation. Holding surveys and asking lots of questions can be helpful in identification stage. Researching the problem is also another contribution to the clarification stage. After clarifying the problem, the next step to be taken is to produce creative challenges. If these challenges are too struggling, they might be divided into several parts in order to deal easily. Following step is formed upon the previous step which is generation of creative solutions for tackling creative challenges with the help of brainstorming technique. After combining and evaluating all the creative ideas, the most appealing one is selected and implemented in order to tackle the problem. Creative kind of adaptive performance is expected here and job-holders should be open-minded, able to think out of the box and they should be able to fit new ideas and environments.
- D. *Handling work stress* is also a crucial process when adaptive performance is expected. There can be a lot of reasons of work stress such as multitasking, deadlines, interpersonal conflicts and so on. In order to deal with work stress and do the things on time, first of all, the employee needs to prioritize the tasks. After identifying what needs to be done first, the employee also must be his own critic. This can help him in understanding and motivating himself as well.
- E. *Learning new tasks technologies and procedures.* This dimension is assisting especially in employability of the jobholder as nowadays technology and work conditions are challenging in most spheres. The best way of learning new skills and tasks is to join training programs. Here, the employee can gain new skills

and information which will be crucial later on. Also, participating in discussions about different subjects is necessary as being in same-minded environment blinds a person's knowledge on variable topics. Updating existing skills is also a good technique in order to become more self-confident and efficient at a workplace. Taking on challenges and risky situations are beneficial for an employee and performing out of the comfort zone are parent methods of learning new tasks and skills. To sum up, an array of new methodologies and techniques for enriching existing skills enable employees to perform adaptive performance in appropriate situations. All an employee needs to do is to select the right form of enhancement.

F. *Demonstrating interpersonal adaptability.* Interpersonal adaptability refers to an adaptability level which should be demonstrated for dealing with different kinds of people and conditions where an employee needs different interpersonal abilities. Decision-making ability, empathizing with others, listening to others, asking others for feedback, showing people appreciation, revealing feelings for others are important skills to be interpersonally adaptable to changes and changeable people.

G. *Demonstrating cultural adaptability.* Cultural adaptability is an individual's willingness and motivation of adapting different cultural and social dimensions. Cultures are fascinating as well as being complex. So an individual must take cultural variables into account as given message may well be perceived unlikely. Cultural adaptability has four stages: cultural awareness, cultural knowledge, cultural sensitivity and the final stage cultural adaptability. In first stage, individual is aware of different culture and knows how these differences affect communication, business processes and outcomes. Secondly, if the individual has cultural knowledge, it means, he knows about other person's culture and can compare and consider similarities and differences between his own culture and the other one. Additionally, cultural sensitivity is the state of understanding and sensing the behavioral signals, what they mean, and how to react the challenges

that originate from cultural differences. The highest level is cultural adaptability which enables a culturally adaptable individual employee to motivate, negotiate, or manage a team in different cultures, with different people from other cultures.

Finally, *contextual performance* is a type of employee performance, where the jobholder is expected to perform additional tasks that contribute to the overall organizational performance. Examples can be portrayed as volunteering for additional services which can assist organizational task performance by enhancing psychological and social climate within an organization. Contextual performance refers to those activities that are not task or specific goal but that make individuals, teams, and organizations more effective and successful. So, the main purpose of contextual performance is to contribute to the task performance with the assistance of other methods that aren't directly connected with task performance. There can be differentiated three elements of contextual performance. *Teamwork* can simply be depicted by the way of assisting other co-workers. Teamwork is a must have skill that every business demands and it starts within the individual. In teamwork, individuals try to cooperate and unite in order to work efficiently. Here, any personal conflict between individuals must be ignored and individuals do their best in order to achieve organizational goals. Performing in contextual level means that individuals should perform actions in another field, so teamwork - a perfect combination of all necessary individual skills – is obligatory. Within a team, individuals can get the support, motivation, inspiration they need to complete tasks in a strange field, or tasks that they are volunteering. *Professionalism*. This element is crucial not only in contextual performance but also in all types of employee behavior. Some employees might struggle with producing professional service in a different task or area. Regardless of performing sphere, an individual must be trained with the proper abilities so that he can perform perfectly and with high levels of professional contextual

performance. Here, high levels of adaptability skills and technical performance are taken into consideration. *Supporting organizational objectives.* As known, every organization has its own aims and objectives. These objectives are only met by working towards as a whole organization. But, individual level work contributes in the highest level. Individuals should be aware of the significance of their contextual performance as they are main branch of organization with their own performance.

Performance can be explained as success of the organization regarding its set goals. It includes outcomes achieved, or accomplished through contribution of individuals or teams to the organization's strategic goals. The term performance includes economic as well as behavioral results and outcomes. In many sources, the performance management is expressed as a tool for appraising employee performance. When starting to understand the essence of performance management, first of all we should consider that it is not just a yearly meeting organized for appraising the employee performance during the given time. On the other hand, it should not also be perceived as a preparation time for that appraisal meeting.

Then, what is performance management? **Performance management** is a phase of maintaining a work place environment where the workers are capable of performing the best of theirs. They can demonstrate their superb abilities in the highest level possible with the help of perfectly organized performance management system. Performance management is an ongoing process and it commences when an employee is hired and it culminates when the employee leaves the organization. To reach an effective performance management, there are several components to be followed.

Management involvement. Managers should participate in organizational performance as actively as possible. Here, they must play leader's role and must be involved in all dimensions of performance. They shouldn't just command or lead the employee, but also, they ought to do the job by providing emotional support and motivation. Managerial involvement plays a tremendous role as a means of job satisfaction and job participation.

Goal setting. If a goal that an employee is trying to achieve is set up to employee's skills, then it will be easier for the employee to accomplish the target. If a company wants to maintain an effective performance management system, it should firstly start focusing on individual performance. When an employee sees that his performance is helping the enterprise, he will be more concentrated on his work and, on balance, he will achieve higher results. So, the significance of goal setting occupies the first and foremost step in effective performance management.

Learning and development. After being aware of the goal to be achieved, the employee needs proper skills and knowledge to do the work. In order to get higher results, the companies need to invest in employee trainings, which can help them to learn new skills and develop the existing ones. These investments will put them one step beyond in rainy days.

Coaching and feedback. All employees need their managers' feedbacks in order to be informed about their performance. When they know if they are doing right or wrong, which action should be promoted, which one should be lessened, they are more likely to get motivated and perform well. So, to keep their work smooth, it is managerial team's duty to provide them with constant feedback and coaching if needed.

Ongoing conversations. This component combines all other four components together, management, goals, learning, development, coaching and feedback. To reach an improved organizational performance management,

organizations need to communicate everything, have conversation about all the trends that concern the company.

1.2. The advantages of performance management system in an organization

A well-organized performance management system tries its best to improve utter organizational performance by managing and controlling individual and group performance. A significant performance management system is able to play a very focal role in managing the performance in an organization by:

- Making sure that, the employees comprehend the importance of their contributions to the organizational goals and objectives in individual level.
- Ensures that every job-holder is aware of what is expected from him and making sure that he is right candidate to get the job done as he has proper skills to do it.
- In a performance management system, the organizational information is distributed in all the hierarchical line properly, so everyone is aware of changes. This kind of system enables effective communication within the company.
- Performance management system ensures a harmonious relationship through hierarchical line and this kind of relationship ease trust and empowerment between employees and managers.

In many enterprises' practices it's clearly seen that, performance management system helps an organization to develop job satisfaction in their employees. To be able to make effective and objective decisions for each company, personnel, to monitor the success and failures of employees and to

improve their skills, in order to get on time, the performance evaluation system has to be established by companies. In Performance Management, also known as Personnel Valuation system, staff is an analysis technique that investigates how well their qualifications meet the requirements of the job to be done. The main part of this system is performance evaluation system. Performance appraisal system, evaluates (managers), evaluated (subordinates) and provides several benefits for the organization.

Benefits of performance management system for managers.

Performance appraisal system is often perceived by managers like additional work, burden and loss of time, although, in reality, the biggest beneficiaries are the managers. Performance appraisers (managers) benefit from:

- Managers become more effective in planning and controlling functions, so performance of units develops.
- Communication and relations between them and their subordinates become more positive.
- Determine the strengths and lacks of the subordinates and help them to develop by directing them properly.
- They see their own weak and strong sides when evaluating their subordinates.
- As they become more familiar with their subordinates, the transfer of authority becomes easier.
- They develop their managerial skills or obtain the conditions to apply these skills.
- They measure the success of the subordinates, ensuring that critical decisions such as promotion or dismissal are based on justifiable grounds.

Performance management system has also benefits for the evaluated. By saying evaluated we mean employees and whoever is exposed to being evaluated by managers. Benefits of the performance appraisal system can be summarized as:

- They see business successes and via others' successes achieving job satisfaction is also ensured.
- They are able to learn their managers' expectations about their job descriptions. Thus, they realise the job in a far better way.
- They know what the superiors expect and how they perform so that they can learn how to evaluate their own performance.
- They recognize the strengths and the sides that need to be improved and its features.
- Employees have a better understanding of their role and responsibilities in the organization.
- Business with positive feedback on their performance can develop their feelings of satisfaction and self-confidence.

Benefits of performance appraisal system for the organization. While performance appraisal is an individual psychological need at the individual level, is very important in terms of human resources management within the organization. It is needed, because the organization's employees need to see the success and failure to organize their later work as much as the motivation of employees. It is also important as a means of performance valuation for administrators and subordinates. The benefits will lead to more general and comprehensive positive results for the whole organization. Some of these are listed below:

- Increases the effectiveness and profitability of the organization as this kind of management system develops performance of managerial and individual level employees.

- Improve the quality of service and production.
- Training needs and training budget are determined more easily and accurately. The employees and managers who need training are sent to appropriate courses.
- More reliable information for the planning of human resources is obtained in an appropriate format,
- The development potential of individuals is determined more accurately as their performance is managed, the organization is aware of everybody's potential.
- Flexibility is provided to meet short-term human needs.

1.3. Building effective performance management system in an organization and its challenges

There are many methods developed to determine the performance levels of people. Some of them are the beginnings of the concept of Performance management and these methods can be called classic methods. Some of the others - classic Valuation - solve the problems encountered in the application of methods and improved to make more objective evaluations. It includes approaches called modern methods developed for making valuations. Here, all the necessary methodologies for building effective performance management and appraisal system within an organization will be discussed.

A performance management system is a focal component in determining whether an organization can effectively manage its human resources and their talent. Performance management provides information about who needs to be trained, in which areas they should be compensated, and what types of technologies are lacking at the organization or unit level. Therefore, performance

management also provides information about the types of employees you should hire. When implemented well, the performance management system provides crucial data that enables the organization to make sound decisions about the employee's human resources.

Performance management is an ongoing process. It is not just held only once a year. Performance management is a continuous process possessing multiple components. These components are closely related, and incorrect implementation of one of them negatively affects the performance management system as a whole. These components can be described shortly as follows:

Prerequisites. There are two important prerequisites before a performance management system is applied and they are (1) knowledge of the organization's mission and strategic goals, as the mission defines the business in which the company is located and the reason for its existence or for what purpose it serves. Every company must make an accurate statement of the purpose of motivating people to be excited and part of their organization about what they do. (2) the knowledge about the job which is in question. Employees will be more productive if they have sufficient knowledge of their jobs. This enables them to work efficiently and effectively. However, some employees have such a high level of occupational knowledge, which means that other employees do not have enough skills and work accordingly. Providing a description of the employee's performance in a relation to the work experience and to the assessment must be done by the managers in advance. This should include not only the skills and knowledge of the staff, but also the methods used by the staff to perform their duties.

Planning performance. Performance Planning Discussions include consideration of development plans as well as results and behaviors. Behavioral considerations include discussions about competencies, which are measurable clusters of KSAs(knowledge, skills and abilities), which are important in

determining how results are to be achieved. In brief, the plan should include identifying areas that need to be improved and setting goals that need to be achieved in each area.

Performance enforcement. The following elements must be present in the performance enforcement phase: Commitment to achieving goals, continuous performance feedback and coaching, communication with supervisors, gathering and sharing performance data, and preparing for performance interviews. Supervisors are also primarily responsible for the following issues: Observation and documentation, updates, feedback, resources and enhancements.

Performance evaluation. At the evaluation stage, both the employee and the manager are responsible for assessing the degree to which desired behavior is being displayed and whether the desired outcome has been achieved.

Performance review. The performance review phase includes meetings for employees and managers to review their assessments. This meeting is usually considered an appraisal meeting or debate.

Performance update and reanalysis. This last step is the same as the Performance Planning component. The main difference is that in the renewal and rebuilding phase, we use insights and information from the other steps.

As analyzed in appendix 1.2. Performance Management system has many benefits for an organization. As well as having positive sides, when implemented inaccurately and incorrectly, this kind of managerial system can demonstrate some malfunctions for the enterprise.

- The lack of a fair performance evaluation system disrupts employee motivation, as this kind of evaluation-based management system is more likely to affect employees.

- Evaluation, especially those who do not want to accept criticism, can damage employee relationships in the case of work.
- Employee who has bad experience with past unplanned systems may well have the suspicion of the evaluation process.
- People who are evaluating often avoid giving bad points for the sake of work place environment and this creates an important problem,
- Sided or racist behavior that also affects assessment can also be counted as a drawback
- Implementation of evaluation programs takes time and in most cases it is very expensive.

These reasons may well vary, depending on the structure of organizations, or reduced. Each system may cause objections to the structure of the organization, but if the benefits provided to the organization are weighted heavier, then this system can be applied properly. In general, for the purposes of organizations they do their evaluations. Of course, in the implementation of the system difficulties bring with it the drawbacks of the system. When change is inevitable, organizations they develop problem solving mechanisms along with their strategies. The intended objectives are only reached with the new management approach and the accompanying systems.

The difference between traditional performance management and 360 degree performance appraisal system. Considering the overall objective of performance management, that traditional performance management is also carried out for these purposes of traditionally organized enterprises are limited and narrow scope, and considered more cost and profitability is taken. Quality of goods and services in today's competitive enterprises, with the emergence of variables such as reliability and customer satisfaction, traditional performance management cannot

adapt to these variables. Therefore, in some views, the lack of traditional performance management is a hot topic that is discussed more often.

One of today's most mentioned performance assessment models is 360 degree performance evaluation. As a system perspective; Traditional performance evaluation system; one-dimensional functioning, manager's staff is a process that evaluates. In particular, the value judgments of the evaluator in this process, emotions, safety and objectivity stand out. In this sense, clarity, participation, trust, objectivity, significant performance evaluation criteria. Assessment of one person in recent years in order to minimize errors caused by 360 degree performance that adds more than one person to the evaluation process. This system is an administrator or the staff, the manager to which it is affiliated, the staff working under it, if any, the same other members of his team self-assessment with department employees and managers. This system is beneficial because the jobholder not only have chance to see his performance through his managers' eyes but also his counterparts give feedback about his performance to him which enables to reconsider his performance. Additionally, this kind of performance appraisal system is good for the managerial team also as they include more people into evaluation so that this ease their job too.

Criteria	Traditional Performance Evaluation	360 degree Performance Evaluation
Purpose	The subordinates get feedback only from one source regarding their subsequent performance and future perspectives.	The subordinates get information and feedback about performance and improvement needs from different aspects.

Source of data	There is only one assessment body.	Evaluators vary.
Identification of data source	The identification of data source is overt. Subordinates will be informed about the person that gives feedback.	Evaluators' identification is unknown.
Feedback content	The assessments relevant to attitude and job performance are typically held for the problems that are faced in job unit and their scope is smaller.	The assessments of business units are according to the desired dimensions.
Relationship with other HR decisions	Performance evaluation is generally forms base in improvement decisions with the help of pricing, job design, promotion and transfers.	The data is used typically for detecting training needs' expenses and for career improvement.
Philosophy of duration	They don't focus on time, the main thing that matters is assessment of individuals. Authority	Not just evaluating the jobholder but also improving him is important. Self-assessment can also be faced.

	and acceptance of manager's feedback.	
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Table 1.1. Differences between traditional performance evaluation and 360 degree performance evaluation. Source: writer's own comparison.

The main purpose of 360 degree performance evaluation system is to get feedback about a jobholder's performance from different sources. In this study, the employee gets all the feedback from the people who have different relationship with this person. The main difference between 360 degree evaluation system and traditional system is about the amount of feedback. In this approach, feedback is multidirectional and that is the reason why it is much more reliable.

360 degree performance appraisal and evaluation system is a sophisticated system which enables an individual to get feedback not only from his managers but also from his counterparts that work in the same level with him, employees from other departments, interior and exterior customers and is evaluated by the employees themselves personally. The information which is gained by this way is fairer, much more reliable and objective since it was obtained by everyone that surrounds evaluated individual within the working place.

In general, we can distinguish between two types of performance management according to the scope of managed components. Management of Individual Performance (IPM) is about achieving goals which were set for employee's individual works. Whereas, Management of Organizational Performance (OPM) is criticized in organizational perspective including utilized resources, products and services, obtained missions and collecting accurate and reliable systematic information, analysis of this information, reporting duration of

it. That's the reason why, performance management is defined separately in these two perspectives.

Organizational Performance Management is a kind of performance management in terms of enterprise directing the organization to the desired objectives by collecting information about the organization's current and future status for new and necessary to ensure the continuous improvement of comparison and performance is a management process where tasks are loaded and resumed. Organizational performance is a whole with an economic and human dimension. Wanted to achieve and maintain performance, these are public performance management approach after the adoption, in accordance with this understanding, the corporate performance with respect to ensuring that it is effective and economic where the principle of creation comes. This principle actually corresponds with the overall performance management which is a principle.

Performance Management in Individual Dimensions, improving the potential of individual participants by evaluating their performance we can define success as a strategic approach that makes the success permanent. Performance - the focus of the increase is up to individuals in the organization. In other words, the task in organizations is proportional with the increase in the performance of the individuals taking part. Organizations reach the goals, try to maintain high quality goods and to be able to offer products and ultimately achieve competitive advantage. For this reason, they need individuals who are performing in order to contribute to the organization in individual level. Organizational Performance is also an individual's duty and is important. Completing tasks successfully, performing high performance, with a sense of pride, it can be a source of satisfaction. However, low willing to meet performance or goals, it can even be seen as individual failure.

The problems and difficulties about performance management and their possible solutions.

Inexperienced evaluators. If you are a new business or you are new to the appraisal system, you may be uncomfortable with the appraisal process, which can make the review process awkward. The way to overcome this is to follow a standardized review format for all employees. This allows each employee to be treated equally and adapt to the process more quickly.

Emotional bias. Frequently, the people who are holding performance evaluation may well have not objective opinions sometimes. Personal prejudice and subjective evaluation can be a matter of discussion. The evaluators, especially when recent occasions are taken into consideration are more likely to evaluate subjectively because of being under the influence. For instance, an evaluator can be prone to rate all the employees for a mediocre range (neither good nor bad). Even if the appraiser is top manager, indeed, he is a human so it means this person can have bias on somebody. In order to avoid and overcome this kind of situations, the appraiser might take note of employee's performance for the whole period which is evaluated for contributing to the performance management.

Expectance of rewards. In many enterprises, employees' performance is rewarded after getting appraised. This kind of rewards can be choosing "the best worker of month" or preparing other these kinds of motivating and inspirational mechanisms, rewarding employees by short trips or just simply motivating them by the help of financial tools. Whereas, in some cases, even though the employee has done an amazing job during the appraisal period, when he doesn't get rewarded, he can get unmotivated and may well think that all his efforts are for nothing if they are not rewarded. Connectedly, this kind of expectations can result in decreased productivity, demotivation and even organizational conflicts.

Lack of improvement efforts. As it is clear, the main focus of employee appraisal system is to advise employees how to develop themselves after evaluation stage. However, even though managers focus on the areas that need to be improved during the appraisal process, after having this stage finished, they

may fail to offer some resolutions for individual and organizational development. On balance, employees can have such kind of perception that the main aim of assessment is not to point out what needs to be developed. After getting negative results as a review, the managers and employees need to build team spirit and work on inappropriate details together in order to avoid procrastination.

Reluctant employees. The appraisal process is more likely make evaluated staff feel uncomfortable. This is because employees may not be scrutinized or the entire process may not be viewed as a negative endeavor. This can be alleviated by describing the emotional start procedure. It would be better and easier to start the evaluation process with no resistance if the managers considered giving emotional evaluation guidance to employees. they will then know better what to expect from employees and what not to expect. On the other hand, the employees will also be informed about the criterions of task, what to do, how to do and when to do.

CHAPTER 2. THE UNDERSTANDING OF PERFORMANCE ASSESSMENT AND PRACTICAL APPROACHES OF RESEARCH PROJECT IN THE CASE OF CHOSEN ENTERPRISE

2.1. The nature of Performance Appraisal and different approaches to it. The relationship between PA and PM in the case of investigated company.

When starting to understand the nature of performance appraisal, first of all, we need to know that it is a multidimensional phenomenon. Performance evaluation is a regular review of employee performance and overall contribution to the company. That is the reason why we call this term multidimensional – it links employee performance with organizations future missions, goals and development. Performance evaluations (also called "annual review",

"performance review or evaluation" or "employee evaluation") assess the growth, or lack of skills, achievements, and employees. The company provides employees with a big picture of their work through performance appraisals and justifies wage increases and bonus and dismissal decisions. Can be completed at any given time, but, performance evaluation processes are more likely to be held annually, semi-annually or quarterly. Performance Appraisal (PA) plays a key role in the organization's human resource management.³ The term performance evaluation (or performance appraisal) refers to the methods and processes that an organization uses to assess an employee's performance level. This process typically measures employee performance and provides feedback on performance levels and quality.

All the employees who understand the responsibility of the work they do will realize the tasks sooner or later. Performance Appraisal is a newer trend which is established mainly for Human Resources. Then, why do companies need to hold performance appraisal procedures? Moreover, it takes a lot of time, indeed, additional time to evaluators. According to the reason that, the company has restricted financial funds to award bonuses and salary raises, performance evaluation enables the company and managers determine how to allocate those funds properly. By providing a way for a company to determine which employees have contributed the most to their growth, the company can provide compensation to employees who make the most of their income, who perform the best and do the vice versa.

Performance assessments also enable employees and managers to develop employee development plans with additional training and accountability, as well as identifying weaknesses that employees can address. Ideally, performance assessment is not the only time managers and employees are notified about employee contributions. Frequent conversations place everyone on the same page,

³ Boswell and Boudreau, 2002.

keep them updated and motivated, strengthen the relationship between employees and managers, and reduce stress on annual reviews.

Types of giving performance appraising feedback. Giving employees feedback relevant to their performance is not an unusual trend nowadays. It's the best way of keeping them updated about their performance that's why we can call it "a common reality".⁴ This type of feedback can be depicted as "an action demonstrated by an external agent to provide information about variable performance aspects". This definition reflects the idea of 'information' or 'level of knowledge' that feedback is passed on to employees to improve their performance by informing them "how the things are going". Performance feedback can be an important motivational and inspirational source for employees if it is performed effectively. Jobholders are also interested in performance feedback in order to know how close they are to do their job tasks. However, it seems difficult to provide (and receive) feedback.

In today's business world, most performance appraisal feedbacks are top to down – which means, feedback provision is transmitted according to the hierarchy levels. Top managers and supervisors give feedbacks to their subordinates. Whereas, there can be distinguished between other types of appraising employee performance by the help of providing them with relevant feedbacks:

Self-assessment. In social psychology, self-assessment is the process of seeing yourself to assess important arrays of aspects that belong to your identity. It is one of the motivations to induce self-evaluation along with self-identification and self-improvement. Self-assessment motivation allows people to look for the information to identify their own covert self-concepts rather than their own overt self-concepts⁵, while at the same time enhancing certainty about self-confidence and self-knowledge. However, the self-evaluation motive is completely different

⁴ Kluger and DeNisi, 1996: p225.

⁵ Sedikies (1993)

from the other two self-evaluation motives. Unlike the other two motivations through self-assessment, people are interested in the accuracy of their current self-view rather than improving themselves. This makes self-assessment the only self-assessment motive that can compromise a person's self-esteem. Likely the social psychology, in the business also, when people self-assess themselves, they are aware of their performance and this makes self-evaluation much more effective. When they criticize their performance by themselves, they learn from their mistakes in the best way possible with the help of feedback given to them by personally themselves.

Peer assessment. Peer assessment means that employees are responsible for the evaluation of their fellow workers according to the specified criteria. Therefore, you can provide feedback to colleagues (also called peer review), summary ratings (reviewed by you or a colleague), or a combination of both. It is a powerful way for students to act as 'assessors' and to understand assessment criteria better. By transferring ownership of the evaluation process to other owners, managers can potentially increase motivation and work engagement in the workplace. By doing so, employees can be encouraged not only to build their own understanding of their own knowledge, but also to gain insight into their approach to evaluation work compared to their peers. Peer evaluation is therefore an important component of learning assessment, not merely a measure of performance. Peer review is particularly useful for helping employees develop judgment, critical thinking, and self-awareness. Managers can use peer assessments to assess employee's personal efforts and contributions to group activities across a variety of activities. Designing peer assessments to be performed publicly, to encourage comparisons and discussions, or design anonymously based on assessment tasks and circumstances. The key point is to allow participants (both managers and colleagues) to understand the purpose and

expectations of the peer assessment. Preparation and overt evaluation criterion are vitally crucial in following 'good' peer evaluation.

Negotiated assessment. This is a recent phenomenon which attempts to mitigate the hostile nature of performance appraisals by using mediators and presenting themes first. It also focuses on what the individual is doing before criticism is given. This structure is useful when there is a conflict between subordinates and supervisors. This is an essential technique which is available for supervisors to provide feedback to jobholders on how they perform the assigned tasks is the newer way to appraise performance. Modern literature suggests that performance evaluations often are unable to deliver their potential for enhancing supervisor-subordinate communication properly. When there is little dialogue, people may well reach false conclusions about how others see them and how others think about their job-related performance. This is where negotiated assessment works. When employees have a mentor who communicates with them regularly about the importance of their tasks, their performance and help them phase to phase, they are more likely to perform better and react to performance appraisal techniques in a positive way.

On the flip side of coin, there can be several types of feedbacks that are able to influence employees differently from one another. As the effects of different types of feedbacks are also different, for the managers' side, it might be very challenging to choose the type of feedback to be given. Giving negative or neutral feedback can be hard to do, since it is normal to feel uneasy about giving dissatisfactory feedback. It has been discovered by one study that employees who have been criticized as "satisfactory" or "mediocre" have a tendency to decrease their performance even to lower levels⁶. It is not a solution to inflate employee appraisal artificially also. "Like olives, there are small olives which are rated 'big'

⁶ Pearce and Porter, 1996.

and the biggest 'super' or 'colossal'⁷ The exaggerated rating also is not able to increase your performance, in contrast, it does more harm than good. Supervisor's anxiety when giving constructive criticism can be understood, whereas, it is difficult for some supervisors to praise subordinates. General pretexts to avoid the praise of subordinates, provided by managers can be depicted as following:

-fear of employee self-satisfaction. This indicator is good but when employees are over-satisfied with their performance they may well think that they don't need to improve themselves anymore.⁸ For this reason, some supervisors try to beware of giving positive feedbacks as it can result in performance reductions and losses for the future of enterprise.

-fear that employees may ask for raise in salary.⁹ This phenomenon is highly linked with human nature – when they comprehend that their performance is more than they consider, employees are more likely to ask for additional bonuses or salary raises. Despite the fact that businesses consider appreciating positive performance, sometimes they can lack enough financial resources for rewarding employees, so, they will not want to grade them positively.

-feeling uncomfortable while giving praise¹⁰ – or a sentiment that a supervisor should not have to give praise. This usually stems from overestimating supervisor's chair and their assumption about the necessity of having a strict character which cannot melt even for giving praise to subordinates.

While conducting this research, I decided to focus more on educational field, especially on the enterprises which work in private sector. As we know, schools and educational centers which perform in private sector are much more successful in terms of education and educated number of people. The chosen

⁷ Schelei and Crossman, 1983.

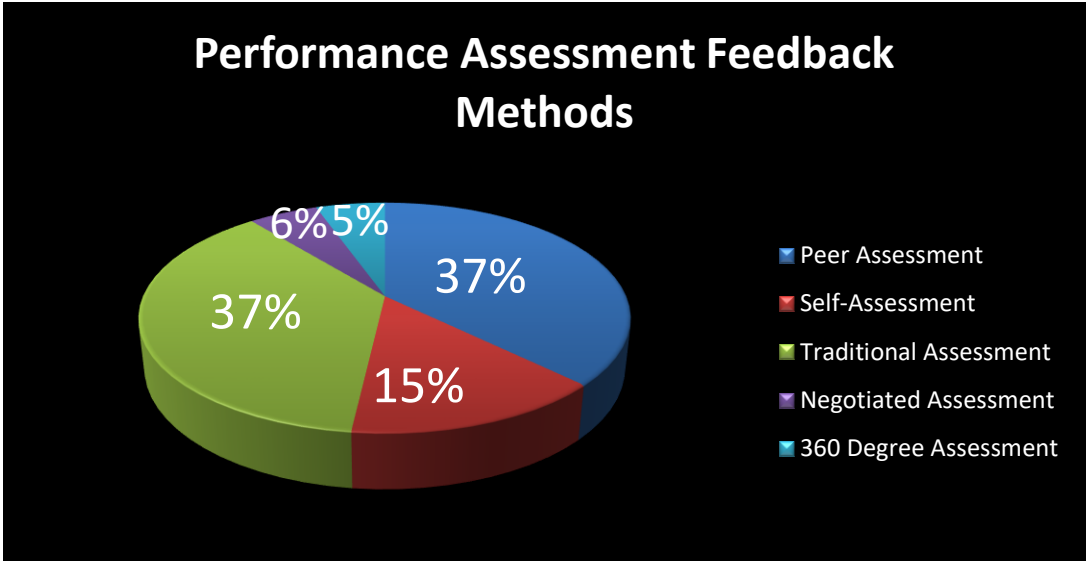
⁸ Jenkins, 2006; Ryan, 2007

⁹ Ryan, 2007.

¹⁰ Wysocki and Kepner, 2008

company for this research is **CELT Colleges Baku, 28 May** branch of the company which seems to be one of the most successful branches among all others according to the performance of students and overt results they get from exams as a result of practices. CELT Colleges (Cambridge English Language Teaching) is a Cambridge English language teaching center which has more than 10 branches in Baku, capital of Azerbaijan and branches in Istanbul, Turkey.

The part I am going to concentrate on is mainly about performance management of employees and customers (in this case customers are going to be called students afterwards). The methodologies chosen for getting accurate and reliable information from this research are interviews, observation groups, data analysis and are mixed methods.



Picture 2.1. The proportions of feedback giving methods in investigated company in percentages. Source: Writer’s own research.

First of all, for employee performance management and appraisal techniques, I observed that among the types of performance assessment, Peer Assessment and Self-Assessment are more likely to be implemented on employee performance, as well as, providing employees with feedback by the assistance of Traditional Performance Assessment in this company. They have chosen to give

feedback to employees on a weekly basis. Here, traditional performance assessment consists of hierarchical chain feedback giving which indicates manager's weekly comments and the ways of improving desired employee performance, additionally, the information about problematic performance and how to reduce or beware of this type of actions within the company. Peer Assessment and Self-Assessment techniques work efficiently in researched enterprise as they have maintained transparent and work-prone relationships among employees and supervisors. This kind of sincere relationship helps them to create an efficient environment for peer feedback. When it comes to the self-assessment technique, the working mechanism of this tool is also relevant to the feedback which was given by counterparts and managers. The employees are expected to evaluate their own performance during the week and work on their flaws with the assistance of positive and neutral (sometimes negative) feedbacks.

On the other hand, as it's clearly seen from the graph that, in this company, the performance management system lacks of 360 Degree Performance Evaluation and Negotiated Assessment tools. This tendency seems to have not serious impacts on company's performance management system as they have implemented multiple types of performance assessment techniques such as Traditional, Peer and Self-Assessment, however, the maintenance of other systems could actually contribute to fast growth and more effective PM system.

2.2. Usage purposes of the results of performance assessment. Comparison between the theory and reality according to the obtained data by research.

One of the primary objectives of performance evaluation systems is to provide feedback to employees about their performance. Effective performance evaluation system should identify areas where performance is strong and weak, and should be able to measure the current state of performance. The benefits of

feedback can be summarized as follows; encourages employees to develop themselves, and warns that the organization needs to support employees through training and development programs. Like other human resources tools, performance evaluation should be handled carefully and seriously so that organizations can provide a useful starting point for career development programs.

Implementation of training programs is necessary for the advancement of employees and their professions is an important part of the career planning system. Education process consists of pre-service, trial process and in-service training. The purpose of all these studies is to enable employees to improve themselves and become more productive within their career plan system. ¹¹

The results of performance assessment can be used in following areas:

Career planning. An effective performance assessment is a big contribution to the company development. In the process of performance evaluation, discussions are also conducted on the direction and objectives of professional development. Thus, the elements have the opportunity to voice their views, needs and objectives, give information and advice about what they should do to perform. Determining the needs of the staff, planning their careers, maintaining their training, professional seminars and working groups and other professional activities are specific in this system.

It is an important responsibility of organizations to encourage employees to improve themselves. The organizations get back the money for their investments. Employees are more efficient in reflecting their progress to their work when they start working and participating in the activities of the

¹¹ Obuz, 1996; p 5-6.

organization, they are promoted they must be rewarded by raising wages or offering new opportunities.

Performance evaluation information gives chance to the manager and employee for long term opportunity to discuss career goals. For the development of the manager make recommendations on the issues that need to be implemented or say the ways to follow. Short term, based on previous performance, help with how to improve performance on a particular subject. As a result, the employee becomes highly motivated.¹²

Payment Management. Performance evaluation results are an important reference for determining the wages of employees. The performance of the employees by evaluating their performance can be determined for increasing their wages or giving performance bonuses. This is a widely preferred application in enterprises. The wage system, which is based on the performance of the employees, is called the ‘performance based’ wage system.

Increasing employee’s salary according to the performance assessment results can be implemented in two ways;

- First of all, the managers can increase employee salary in certain amounts (for instance, 10% of actual salary) or,
- Secondly, they can choose to give one-time payment according to the employee performance as a form of bonuses.

Increasing the salary permanently can be financially expensive for the company when company’s future missions are taken into consideration. That is the reason why companies are more likely to appraise their employees by the help of financial tools once a year, once in six months or quarterly.

¹² Fisher, 1996 p455

On the other hand, low in performance evaluation and wage management enables employees who perform undesired performance should not be paid low salaries and those who perform perfect performance should not also get high salaries. Prioritize target, promote and reward high performance and success; should not focus on success but to failure. For this, it should be preferred that the average wages of those whose performance is not at the desired level should be increased, and those with a high price should be paid a higher wage. In this respect, the application of the addition of the performance appraisal increase to the inflation rate can be used. To sum up, performance evaluation results need to follow a development-oriented approach, not punishment, to influence the determination of employee wages. This approach is going to increase the morale of the employee and increase the level of performance in the future.

Human Resources Planning. Human Resources planning is a process of defining the right number of work force to realize business objectives in the right place, in right numbers and the place where they will be supplied.¹³ In this planning process, data on the performance levels of employees are also used. In this context, performance levels determined by employees as a result of assessment will also provide data for human resources planning. Whether there's a need for workforce within the organization or outside the organization, performance evaluation plays an important role in the decision to be taken from outside.

For the positions that are empty in organization, the company focuses on internal resources in order to see whether there is an employee who is able to work in this position or not. It can be thought of shifting to the position. At this point, the person in the enterprise resources is of course going to get hired according to the employees' performance evaluations made in previous periods. However, if

¹³ Tuğray Kaynak, İnsan Kaynakları Planlaması, 1996, s. 10-11.

there is no suitable candidate for vacant position within the enterprise, it will be directed to external sources.

Job design. Employee tasks can be changed within the enterprise for a variety of reasons; for being more authorized in their current duties; responsibilities can be increased; or new jobs, new tasks can be added to the jobs they are doing. Business design, called business expansion, business enrichment, transfer and rotation, is one of the important applications of human resources management. Based on performance appraisal results, the employee who doesn't demonstrate desired performance can be switched to another position where he is capable of showing a better and more desired performance within the company. Accordingly, when the results of performance appraisal are taken into consideration, the employees that are successful in their jobs can be given additional tasks as a means of job enrichment or job enlargement in order for them to contribute more to the business with their skills.

Dismissal decisions. Performance evaluation of employees - assuming that there is an objective and scientific way to measure - is determined to be a good tool to eliminate the employees who fail to respond the feedback with such evaluations and the decision to dismiss the employees who are tried to be useful for the organization through education /training, however, who are not successful in this matter.

It is obvious that the tool of performance evaluation is useful in this kind of decision making phases. However, as in the case of termination of each employment contract, it is necessary to consider termination as a last decision. Legally, in order not to face reinstatement cases; various values were taken by the company as a value; and dismissal should be considered last.

Training management. The results of the performance evaluation also provide data to the training management. Training Planning can be prepared by

prioritizing the training needs of business, business strategies and budget which are determined as a result of the performance evaluation. Moreover, with the assistance of performance evaluation which is implemented in the beginning and in the end of term, the managers are more likely to observe the positive outcomes of trainings.

2.3. Employee productivity. Implementing productivity motivating tools in practice.

Employee productivity, also named as workplace productivity, is an assessment of the effectiveness of an employee or group of employees. It is assessed by looking at the total workforce or employee output at any given time. In most cases, an individual's productivity is assessed against the average output of other employees who perform similar tasks.

Many people, even those who regularly talk about workplace productivity, confuse the terms productivity and efficiency. However, these terms cannot be interchanged. Efficiency is the amount of effort an employee makes and the amount of productivity that is completed. Some employees can be very productive, but they are not very effective, but some employees can be effective without high productivity.

To illustrate this tendency with an example, let us suppose you have a spreadsheet that needs to be sorted alphabetically. Employee A needs at least an hour to copy and paste the name tediously until cleaning up. Employee B performs the same task and uses Excel's sorting feature to display the names alphabetically in minutes. She spends 20 minutes on Facebook. Employee A was effective in concentrating on the task until termination, but it was not as productive as employee B did not achieve in an hour. Employee B was more productive, but she

was inefficient in that she had spent 20 minutes of unrelated work because she worked in a shorter period of time.

A company that refuses to rationalize fairly will not work for all of its employees, but a good employee will strive to maximize productivity even when it cannot be as effective as it wants. Ideally, workshops should strive to maximize productivity and efficiency in order to maximize return on investment for employees.

To make it financially reasonable for an employee (manager) to hire an employee, the employee must create business value that exceeds the employee's wage costs. In this way, employees are investments and theoretically, the investment should provide a valuable return to the company. This can happen only when the employee is productive. Therefore, the importance of productivity in an organization lies in the difference between the employee making the company profit and the employee calculating the company cost.

Advantages of employee productivity for the company. Of course, when employees are productive, they also offer other benefits to the company. First, unscrupulous lazy employees counteract others like hard-working employees. Employees who are productive for the same purpose, especially employees who are rewarded with hard work, can motivate other employees to increase morale and create a better environment for the entire company.

You can increase your company's income when your employees are productive, and your company may provide incentives to your employees. Failure to compensate for productive employees can reduce the capabilities of the entire team. Sharing success with employees in the form of wage increases, bonuses, and improved benefits can help employees be more motivated and more productive. And with this increase in sales, you can grow your company and hire more people.

Productive staff can benefit customers since this kind of staff provides faster, higher quality customer service than unproductive staff. Employees can be rewarded for productivity and motivated to improve customer service and interaction. Naturally, good customer service can lead to customer loyalty and word of mouth, which can bring more revenue to your business.

How can companies measure employee productivity?

Measuring workplace productivity is important when there are employees, but it can be difficult to perform. In the end, simply measuring total production means that output is unclear. For example, if a company sells toasters, 500 toasters may want to be completed in a day at the factory, but if the 25% toaster is defective, the end result of 375 function toasters is simply 400 functional toasters a day. Some common measures of employee productivity are quantitative, service productivity, goals, time management, revenue, and job quality.

To use quantitative measurements, you need to know your company's normal output. It then averages over a month or year, then it divides by the number of employees. At this point, you will have an objective standard to compare the productivity of individual employees. This should be reasonable when using this method. Do not expect that every employee will always achieve an average. New employees will take some time to speed up. Some employees may be slowed down by personal issues. Sometimes productivity may be reduced due to broken equipment or other factors beyond the control of the employee. Setting an unacceptable productivity quota can discourage employees more than motivate them. Companies that provide services rather than products cannot easily measure output, but they can measure the number of clients they see or measure customer service speeds or quality through customer surveys.

To use the Goal Method, set up a clearly defined and well-described employee goal. Set up regular meetings between employees and managers to meet goals and take responsibility for employees.

For time management, you should ask employees to keep track of how they are tracking their hours of work. By taking responsibility for your own time, you can reduce the amount of time spent on activities such as chatting, text messaging, or social media use. You can ask employees to track their time in different ways. You can install time tracking software, ask your staff to write a daily report to your supervisor, or ask the worker to check in or check out a project while you work at work or on your computer. When using this method, employees should not feel fine tuning. Otherwise, productivity may be degraded.

Profit and quality of work are both good ways to evaluate your entire team if you do not want micro management. To use one of these two methods, you simply have to look at the total profit generated or the quality of the work. If you're happy, that's the end. Individuals cannot be assessed based on total profits, and if you work alone in a project, you can only assess the quality of an individual's work. However, this is a good option only for those who help the project on the team.

The method you use to measure employee productivity must depend on the specific business and the evaluator. Ultimately, the method of measuring the productivity of a meat packing plant must be very different from the method of measuring productivity used to evaluate a team of customer support personnel.

As I am investigating education sector, this part of research will be more focused on the components of employee productivity which are essential in this field. In investigated company, the employees mainly consist of teachers who are able to have tremendous impact on individual's development. As a result, I am

going to focus more on emotional aspects of employee productivity and the factors which relate to more desired productivity both in individual level and organizational level.

In any organization, the primary goal of performance evaluation is to improve worker productivity. Thus, performance appraisals provide appropriate feedback on employee performance by exposing them to knowledge and results about how they perform. Clear and achievable goals of the organization; A way to get involved in setting tasks and goals¹⁴. These activities improve the performance of the workforce and improve the productivity of any organization.

In general, productivity is divided into two as technical efficiency and allocation efficiency. Technical efficiency indicates the tendency of getting desired results with the help of maximum number of inputs level output generation. In other words, technical efficiency is the management of obtaining the same output with less input. The definition as a performance measurement technique produces a certain output cost minimized or maximized output at a certain cost.¹⁵

As the concept of productivity can be confused with other business terms, it would be better to understand the true nature of labor productivity by looking at the graph;

Table 2.2. What is productivity? What is not productivity?

Productivity is the conditions and techniques that improve employee performance. These techniques have	Productivity is not the techniques which aim to scare, annoy and make employees work like a robot.
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¹⁴ Mullins 1999
¹⁵ Gulcu, 2001 p105

the employees worked more and better.	
Qualitative and quantitative production used ratio to resources. Output and input are both important factors.	Is not a measurement that measures the quantity of the production.
It is a useful factor in profit planning. If you keep input factors constant and efficiency is increased, the income increases	It is not an indicator of profitability. In certain cases, low efficiency projects can also be profitable.
It is one of the tools that improve quality.	It's not the same thing as quality. An increase in productivity does not guarantee better quality.

(Akal, 1992)

-The difference between quality and quantity of performance productivity. It is difficult to identify appropriate actions for multiple performance dimensions. Two very common dimensions are the quality at which the operation is performed and the rate at which the operation is performed (quantity). For example, when analyzing the productivity of a manufacturing worker by measuring the quantity associated with a production quantity, such as the number of products produced per hour, candidates suitable for measuring the production quality are defective products.

There is little trade-off between dimensions (such as quality and quantity dimensions), but often there is an incentive for workers to focus on their efforts in only one dimension. For example, if an employee needs to redo a task in the

case of a defective product or service, there are explicit incentives such as reducing output and implicit incentives (for example, when a supervisor can identify and approve low-performance workers) in order to alleviate the problems associated with multiple dimensions.

-Effect of peers on employee productivity. Because of the peer effect, or peer in the workplace, changes in worker productivity are driven by two mechanisms. It can be caused by social pressure, peer learning, and ripple effects. Although the external effects of human capital have long been part of the growth model, peer effects at work are only recently analyzed. This may be due to details of the worker's network and the measurability of the productivity in detail.

-Influence of working hours on productivity. Direct measurement of worker productivity can be established by another example where this policy can be informed is the inclusion of working hours. Standard hours per week vary from country to country or from company to company.

Little is known about the optimal number of weekly hours in terms of efficiency. A direct measure of worker productivity can estimate how changes in hours worked or hours worked affect performance. This may be important. With regard to health and safety, for example, long working hours can increase fatigue, which is particularly dangerous in medical occupations. These types of outcomes may also provide direct advice on whether to increase or decrease working hours.

-Influence of gender gaps on payment. One advantage of direct performance measurement is that it is objective and often less effective when there is a possibility of being affected by subjective evaluation. This objectivity can be particularly useful when analyzing the wage gap between groups in the labor market. Between man and woman gender wage gaps have declined over time, but women earn significantly less than men. There is a lot of controversy about why

the gender pay gap exists, but it is important to understand how the gender gap depends on the underlying productivity gap.

Direct measures of performance can help to investigate whether the gender pay gap is based on productivity differences, how these gaps can be explained, and on the likelihood of gender. The difference in performance affects career choice. For instance, in the case of attorneys, gender differences occurred early in the career and persisted in their income and career progress. While objective measures of performance can help identify gender gaps, it is more difficult to assess how accurately the selection of differential efforts with men is reflected and women, for example, if a worker wants to be discriminated against.

When I was searching for the strategies of increasing workforce productivity, and how the investigated company applies these strategies on practice, first of all I came across a term called ‘employee engagement’.

Employee engagement is the emotional commitment and connection that the employees have towards the organization and its goals. This emotional commitment means that employees are actually interested in their work and company. They just do not work for the salaries of the organization and not for the next publicity.

When employees are interested - when engaged - they make a random effort. This means that participating computer programmers do not ask and work overtime when needed. In other words, the engaged retail clerk picks up the garbage at the bottom of the shop even if the boss is not watching.¹⁶

However, abandoned (disengaged) employees turn off the company as they are not really into their jobs. However, engaged employees appear more often, stay longer, and are more productive overall.

¹⁶ Kevin Kruso, 2012

My research shows that the cost of ignoring corporate culture that is detrimental to our underlying health and the productivity of our employees is high. Abandoned employees have a higher rate of absenteeism and turnover, which may result in a decrease in profits. And it's not just the individual companies that suffer. This phenomenon can even affect the country's utter economy.

The current business field and the world completely are moving faster than ever before. Organizations around the world come across more alterations than most can handle. Often, you have to grow fast to compete and dominate. Time to focus on managing all financial goals is reduced. You can grow faster with fewer resources. Managers need to master excellence in managing themselves and their teams and achieving organizational goals at the same time.

A general understanding of the majority of leaders, most of who are the company's most important assets need a lot of explanation. In practice, however, it is only when most of the workforce is fully engaged in their work. If not, we are giving the organization minimum value or actively working on it.

There are **three** types of employees in an organization:

Engaged employees. These employees are loyal and emotionally committed to the organization. They are exceptionally talented and talent is truly utilized. They are enthusiastically investing in their own work and taking responsibilities other than job content. They are generally more likely to be emerging leaders and stay longer away from the organization.

Not engaged employees. These employees are relatively happy and can be difficult to identify because they are satisfied with their role. However, they do not invest at least in the company's mission, vision, values or goals. They are unlikely to be customer centric and do not worry about productivity or profitability. This team member is a threat and a good opportunity because it can

be transformed from an organization into a successful employee through an appropriate approach.

Actively disengaged employees. We all worked with this kind of people. They are constantly negative and vocal about misfortune, creating a toxic environment and dominating the manager's time. Worse, they are often respected problem specialists in their unique skill sets. And because of that, they often have more important influence than others. These employees can spread toxicity throughout the organization and rarely turn into true "A" players.

Most studies portray the fact that employee participation has a direct impact on productivity and profitability. It seems self-evident, but many administrators still struggle to define, measure, and improve team engagement. In work engagement there are two kinds of people who occupy an important place:

The Role of Leaders in Participation. Leaders improve engagement by defining and communicating a strong vision of the organization. They provide the resources to hire and develop managers who have invested emotionally in the mission and vision of the organization, and to build a great team of good people who are in the right role. They give strength.

The Role of the Manager in Participation. A good manager ensures that you can acquire and develop great talents. Ensure that you have adequate personnel on the bus and that you are in the right place. They actively determine participation priorities. The team's activities are perfectly matched to the organization's mission statement.

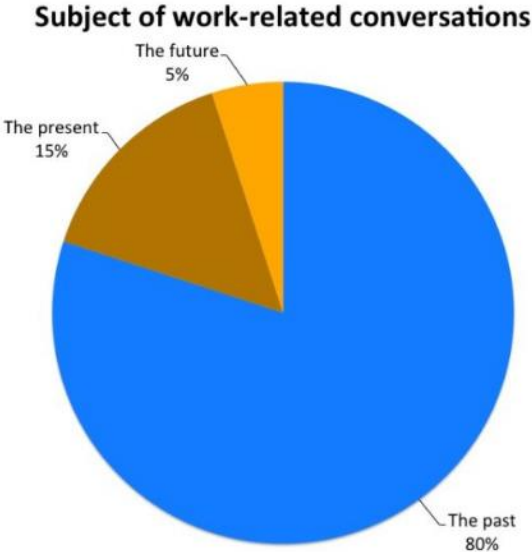
The overall strategies, techniques and tools for keeping the business forward and having the employees highly productive and engaged in their tasks can be categorized as follows:

Provide the team with the proper tools. Your team's skills are vitally crucial to your business performance, but the tools you use in your business are also of some importance. Choosing the right software eases the job and streamlines the workflow. If your team is working in a traditional office or in a remote team, a communications app is essential. In general, using e-mail completes the task, but you can easily track individual messages within the thread. Most communication platforms also provide file sharing and access, streamlining the team's workflow.

Focus on future, not the past. It is true in romance as well as being true in business. *Communication is the key to success.* Without the assistance of effective two-way communication, the relationship ends and the business fail. Active and productive workforce is always rewarded for managers who effectively communicate clear expectations and responsibilities to employees.

CRM learning articles assume that 80% of work-related conversations are spent on past problems. It involves giving responsibility. 15% is spent on what is happening now. And what is the time spent discussing solutions and future possibilities? Very small 5%.

Picture 2.2. The topics of work-related conversations.



Source: CRM Learning.

When we promise to move forward if we focus on the future instead of reconstructing past problem it helps us find a positive solution. This does not mean that we must ignore past failures. Instead, we can learn how to approach negative situations in a positive and productive manner.

"For example, if a meeting is held to address a problem such as a loss of productivity, the meeting itself will increase productivity by pointing out the recent congestion," according to CRM. We should try to model positive and open communication to determine team member precedence at all levels.

Motivate self-care in employees. Even if they appear, over-emphasized employees are physically, mentally, and emotionally unhealthy. Also, productivity drops. When the team gets stressed, they lose everything.

But the right stress is actually motivating and productive. The goal is to prevent burnout before it happens. Way? Encourage all levels of team members to take care of their mental, physical, and emotional health. This means taking following measurements you need to create a healthy and communicative corporate culture:

- Listen to your employees
- Provide constructive feedback
- Provide challenging at the same time meaningful work for employees.
- Set clear parameters for success

Don't be addicted to social media. Employees use social media for a number of reasons. Some might have a mental break, others use social tools to support professional connections. But cracking down on social media platforms as a way to increase productivity can lead to serious fraud. Strict rules for social

media send messages that they do not trust their employees. And social media experts have found that they are not very productive, in fact, they are killing their time. In order to have more productive workers, the workers who don't focus on social media and do their tasks, the managers need to have them love their jobs. When an employee loves his job, he is much more engaged and motivated which lead to high rates of productivity. Though, it is possible to check how much time employees spend on social media instead of working with the help of some employee monitoring software or just simply by the help of security cameras.

Do higher levels of work by raising morale. Eventually, happy and dedicated employees work harder, smarter and better. People who dislike, deny or underestimate their profession can agree, but exhaustion is inevitable. Factors that focus on open communication, self-care and self-reliance, and the basics of trust and respect.

Creating a corporate culture that creates positive fraud is not always easy, but the important thing is just getting started. Leave the line of communication open and leave micromanaging to find out what good things your employees are doing and talk about it.

Results and recommendations:

In investigated company's case, according to the interview I learned that, the performance managers make a list of desired and undesired performance of employees on again weekly basis. These results, first of all, impact employees' salary management. As the reports of subordinates are prepared on weekly basis, when their monthly performance is taken into consideration, these improvements or failures are reflected in their salaries. According to the interview, this salary management tool is conducted basing on hierarchical and peer evaluation levels.

Secondly, in job design component of given tendency, at CELT Colleges the employees are expected to work on their skills constantly in order to improve themselves. When they are hired, existing skills, job related experience play as important role as development willingness does. For improving employee skills in order to have them working in different departments, firstly, they are hired for internship stage which is up to their own speed to learn the job and willingness to get the quick understanding of company as fast as possible. According to my observation, there the employees were getting trained for learning additional foreign language which can contribute to their job related experience in the future. Moreover, employees were also able to get other training courses such as "quality improvement in education", "pedagogical skills", "basic psychology" and etc.

When I asked about the influence of performance assessment results on dismissal decisions, the manager answered that they try not to dismiss anyone

from the job. In that company, dismissing someone is considered as a failure of not being able to train the employee properly and that is the reason why this choice is the last choice to be made. The managers as well as the employees are improvement and development focused. For achieving sustainable development, the managers are investing in a lot of facilities for motivating learning and development. For instance, they are repairing and improving the appearance of the office regularly because they assume that the working environment is a big contribution to desired employee performance. At the same time, they mention the advantages of improved working environment on students' performance too. According to the manager, the students (customers) perform better results in well-equipped office rather than a usual and plain one. As customers' results directly impact on company's reputation, their intention to make this kind of changes constantly should be appreciated. On balance, in investigated enterprise the supervisors are constantly trying to improve employee and customer performance by employing a lot of new facilities and training programs which focus on not only the work force of company, but also the customers' performance at the same time.

When I looked at the employee productivity levels in investigated company, I could observe that nearly every employee had high productivity rates. The productivity of jobholders was determined according to their student results. These results might be allocated as "Written results" which indicates the scores students got from examinations and "Oral results" – the reputation and knowledge level of students among other students and teachers. When I asked about how they get the high employee productivity, the question was answered as: "We regularly consult with employees and students, our productivity secret is motivation and sustainable support".

When it comes to the quality and quantity of work, according to my observations, despite the fact that the working hours were extremely long for some

of the employees, quantity of work couldn't influence the quality dimension. In CELT's case, we can joint impact of working hours on productivity and quantity categories, since, when the working hours increased the quantity of workload also increased. Both customers and employees seemed to be satisfied with the service they produce and receive.

Additionally, the effect of peers on productivity had the highest indicators on employees according to my observations. There were selected two most successful employees as 'Head Teachers' and those employees took care of other employees, student results, work force relationships – in brief, they were responsible for maintaining positive corporate culture and desirable employee and customer relationships. At first, it might be thought that only two employees' role may be feeble for the whole organization, however, when I looked carefully to the situation, I could notice that, those employees played role as strongly as manager did. When the manager was unable to observe some situations, they did observe instead of him and the assisted him while contributing to their existing skills and abilities. The subordinates were also able to feel the positive peer effect on themselves and their performance. Generally, in the investigated company there was a positive and competitive organizational culture thanks to manager's and all the employees' efforts.

Moreover, about the gender gap on salary and productivity, I could be easily noticed that, 80% of company's employees were women, which opposes the idea that we can observe on the theoretical part of the research. Not only they were more likely to hire women, they didn't discriminate between the genders while allocating duties as well as the salary. In fact, both of the Head Teachers were women, which is able to indicate this company's approach to gender discrimination about salary giving.

Taking all the investigation into consideration I have been doing for more than 3 months, I am able to say that, to reach an effective and efficient

Performance Management, first of all the managers should not take all the responsibility and in negative situations all the blame. Performance management is an ongoing process and it has a lot of components, managers and subordinates should work together on the problems and they should focus more on the future goals and perspectives of the company.

There are a lot of factors that may impact employee productivity. These factors can stem from inner and outer reasons and problems. Despite all the facts, the managers and employees need to focus on development more and more. Every employee, regardless of their position, should have inner job satisfaction, work engagement and these results will culminate with high quality work and workers.

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