Empirical Examination of The Implications of Technology Mediation on Performance Management System in Organizations

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ABSTRACT: This paper examines the outcomes of Computer Based Performance Management (CBPM) in organizations. In the context of research, CBPM is construed as a system which integrates electronic technology with the performance management process of an organization so as to improve individual, team and organizational performance. The four key constructs considered for research include- time saved performance enhancement, unbiased rating and rating errors and employee motivation and development. To ensure conformance to business dynamics and to acquire competitive advantage, many organizations automate their Performance Management processes. They incur huge expenses on automation. However there are very few anecdotal evidences to justify the rationale behind such huge investments. There is a need to scientifically examine whether technology integration with Performance Management is worthwhile or not. In this direction, a portfolio of four generic constructs was hypothesized to test the effectiveness of CBPM. Each of the four constructs was then operationalized based on a five point Likert measurement scale. An ex post facto survey technique was adopted to gather data from 110 HR professionals of tier-1, tier-2, tier-3 auto component firms and auto-ancillaries in three South Indian states of Karnataka, Tamil Nadu and Andhra Pradesh. The time frame set for study was three years between 2011 and 2014.

KEY WORDS: Computer Based Performance Management system, Performance Management Suites, SAP, Rater bias, Rater errors

1, INTRODUCTION

Performance is the accomplishment of a given task measured against preset standards of accuracy, completeness, cost, and speed. Performance enhancement due to technology integration in the firms is evaluated based on the estimation of speed/time, accuracy and cost of performing the HR functions. E-performance management may be defined as a system in which electronic technology is integrated with the performance management process of the organization in order to improve organizational, team and individual performance.

In the context of the research, the constructs used to assess e-performance management dimension were, time, performance enhancement, elimination of rater's bias and rating errors, influence on employee motivation and development and a few other factors like ease of training needs assessment and determination of rewards with performance results. An effort is made to assess the implications of e-performance management on all the mentioned factors

2, REVIEW OF LITERATURE

Systematic literature survey technique was adopted to review articles and papers related to the concept. After a thorough review, research gap was identified and based on that, research title, objectives, hypotheses, dimensions, constructs and variables for current research were determined. A brief summary of the same is presented below:

Rob Dranfield (2000) has defined performance management as a process used to improve the organizational, team and individual performance. He says that a good performance should always state