

The Influence of Various Performance Management Attributes on Employee Performance in the IT Industry has Been Studied

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Abstract

Employees are the most powerful resource of any firm in order for it to succeed in such a competitive market place. Employee performance is measured as how effectively an employee performs their work obligations and tasks. Employee performance include elements such as work quality, volume, and productivity, as well as professional habits. Employee performance is determined mostly by corporation's performance management system. Individuals with the necessary dedication and abilities for functioning around organisational objectives are developed through performance management. We will investigate the links between performance management and employee performance in the research. We have chosen 5 distinct parameters under performance management: training and development, performance review, planning and goal setting, monitoring performance, and incentives & rewards. In this study, a quantitative survey questionnaire approach was employed. The survey acquired 648 sample answers from working professionals in the IT sector using a basic random sampling approach. The PLS-SEM technique was utilised to analyse the data with Smart-PLS 4. According to the findings, there is a significant association between employee performance and indeed the company performance management system. All performance management system attributes have a strong connection with employee performance in the IT industry. There is one exemption that measuring performance daily has no relationship between employee performance and in fact it creates negative impact.

Keywords- Employee performance, Performance management, IT sector, Correlation, Performance Appraisal

Introduction

The current study focuses on how different performance management features affect employee performance in the information technology sector. Performance management (PM) is described as developing, monitoring, and enhancing the performance of individuals and groups, as well as matching performance with the institution overall goals. (Travor C. Brown,

Bishakha Mazumdar, & Paula O’Kane, 2018). Performance management emphasises responsibility and openness while also encouraging a clear grasp of objectives.

Administrators can utilise performance management systems to change workflow, offer changes in strategy, and create other recommendations that will assist staff in meeting their goals. The Performance Management System (PMS) is defined as "a systematic and integrative strategy to assuring organizational accomplishment by growing employees in a way that improves team and individual skill." These systems provide a continual and holistic approach to performance management including rewarding. (Jawaria Andleeb Qureshi,, Asad Shahjehan, Zia-ur-Rehman, & Bilal Afsar, 2010). The performance management increases corporate productivity by lowering employee turnover rate, which leads to increase the enterprise profit margin, resulting in excellent organizational outcomes. Different aspects of performance measurement were explored below.

Performance appraisals should be conducted on a continuous frequency to examine an employee's performance in reference to the company's specified or presumed criteria. (Daniel, 2019). Organizations utilise performance assessments to provide employees with big-picture constructive feedback on their working and to support salary raises, incentives, and firing choices. Goal planning is very beneficial when it comes to expanding your profession and job seeking, creating one personal enterprise, or being self-employed or freelancing. Goal setting is creating an implementation strategy to encourage and steer an individual or group to achieve their goals. Incentives are often regarded as one of the most essential aspects in motivating employees to perform harder and more effectively. It is due to the fact that incentive and reward schemes encourage employees' skills toward improved productivity in their employment in order to fulfil the organisation's goals. (Dr. Ashraf Mohammad Alfandi & Dr. Mohammad Shabieb Alkawsawneh, 2014). Each business requires well-trained personnel to carry out their duties successfully and productively. It is the firm's ongoing process that aids in the development of talents, information, and capabilities.

Employee performance improves as a result of training and development. (Md. Mobarak Karim, Musfiq M. Choudhury, & Wasib Bin Latif, 2019). Performance measuring is concerned with various performance measurements. These are the quantifiable metrics you use to measure your plan's development.

Employee performance is defined as how well an employee performs their work activities and responsibilities. It relates to their output's efficacy, reliability, and productivity.

Numerous factors determine employee performance. The factors were mainly divided into four clusters: work requirements, personal characteristics, financial concerns, and organisational setting. (Muna Ahmed Alromaihi, Zain Abdulla Alshomaly, & Dr. Shaju George, 2017). The achievement of goals are definitely one of the most essential components in employee performance. Successful employees' complete tasks on time, generate income, and enhance the brand through satisfying encounters with clients. By making the correct technological investments, business efficiency can be significantly increased. Even though increasing employee performance was considered important for enterprises to flourish in the business field, many businesses ignore the advantages that might come from giving them the right instruction.

Literature Review

(**Tai Anh Vu, Geoff Plimmer, & Evan Berman, 2022**) Employee performance management (PM) is frequently marketed as an innovation to enhance government domain performance; however, it is difficult to adopt internationally. Vietnam, like other developing nations, confronts additional impediments; the PM clashes with portions of cultural heritage, and the government sector is unaccountable. This multi - method study was conducted with 322 individuals from 29 Vietnamese public organisations. The findings reveal that responsibility has a favourable influence on PM creativity whereas frequent relationships entrenched in conventional cultures have an adverse influence. These interactions are moderated by servant and entrepreneurial leadership styles. This research adds to our understanding of these elements, which are relevant to investigations of government sector HRM, responsibility, and administration.

(**Thomas Van Waeyenberg, Adelién Decramer, & Riccardo Peccei, 2022**) Performance management is a continuous activity that aims to improve employee performance. There are fears that this may result in poor employee interactions. We claim that when teachers see performance management as a process that follows to the principles of a so-called strong HRM system, they would feel more recognized, cherished, and energised, as evidenced by greater aspects of psychological organizational culture and less tiredness. We hypothesise that these outcomes will increase teacher performance. We gathered information from 458 Flemish teachers and compared it to performance evaluations supplied by school administrators. The findings reveal that the perceived robustness of a performance management procedure is adversely related to teacher weariness and favourably related to their performance.

(Muhammad Said, Dr. Imran Khan, & Dr. Filza Hameed, 2021) In this global and competitive economy, organisations place a premium on employee performance. The present research will focus on dissecting and studying the influence of performance management systems on employee performance. The statistical mono technique was used in this investigation. The study employed a deductive method and a questionnaire approach to analyse the influence of a performance appraisal on employee performance, gathering responses from participants using an adapted Questionnaire. The study's target audience was believed to be Air Blue Airlines. According to the study's findings, a performance management system has a considerable impact on staff performance. It was also determined that there was a strong and favourable association between performance management and employee performance.

(Setyo Riyanto, Endri Endr, & Novita Herlisha, Effect of work motivation and job satisfaction on employee performance: Mediating role of employee engagement, 2021) Businesses require proactive employee involvement to achieve and improve performance through boosting motivation and ensuring work satisfaction. The purpose of this research is to examine the impact of motivation and work satisfaction on performance, with employee engagement serving as a moderating variable. The research sample consists of information technology (IT) enterprises in the Indonesian cities of Jakarta and Bandung. 103 answers were received from IT professionals utilising the convenience sampling technique. The Partial Least Squares (PLS) approach is used in the research model analysis. Software SMART PLS Ver 3.0. Evidence demonstrates that motivation has a favourable influence on IT staff performance, although work satisfaction is unrelated. Employee engagement does not have a straight influence on employee performance, but the impact of mediating via motivation and job satisfaction can have a substantial impact.

(Sajid Hussain Awan, Nazia Habib, & Chaudhry Shoaib Akhtar, 2020) The purpose of this article is to investigate the effectiveness of a complete performance appraisal system in terms of employee performance. Furthermore, the moderating influence of occupational engagement was investigated. The correctness and impartiality of the performance management system (PMSE), as indicated by earlier studies, were used to measure its efficiency. A total of 285 workers were chosen from various locations of private banks situated throughout Pakistan. The findings revealed that PMSE and job engagement had a substantial effect on workers' task and situational performance. Also validated was the complementing mediation of employee job engagement in the connection between PMSE and employee performance (in terms of task and contextual performances). The study 's conclusions are useful for developing HR and PMSE strategies in Pakistan's financial institutions. The research also advises that a full PMSE model, with fairness as a necessary component, be implemented to improve workers' work engagement and task/contextual performance.

(Shiva Kakkar, Sanket Dash, Neharika Vohra, & Surajit Saha, 2020) Performance management systems (PMS) are critical components of human resource management in organisations, however evidence on their beneficial influence and the manner under which they affect employee behaviour is mixed. This study closes the gap by postulating work engagement as a moderator in the association among estimates of PMS efficiency, employee job satisfaction, and intention to leave. The study adopted a survey research design. Data were gathered from 322 workers in India who were enrolled in a leadership development program at a top business institution. For data analysis, the partial least squares-based structural equation modelling programme ADANCO was employed. It was discovered that a positive opinion of PMS efficacy increased employee job engagement. This boosted employee work satisfaction and decreased intention to leave. As a result, work involvement mitigated the connection between PMS perceptions and job performance.

(Mruthyanjaya Rao Mangipudi, KDV Prasad, & Rajesh Vaidya, 2019) In this paper, we provide the findings of an experimental study on how employee performance is affected by performance management systems in Information Technology Enabled Service Companies in and around Hyderabad. A survey of 924 workers from IT Enabled Services organisations mostly near Hyderabad was conducted. Using a structured questionnaire form with a five- point Likert-type scale, 13 aspects of the dependent variable performance management system were tested against the two independent variables, 9 aspects responsible for increased performance and 5 aspects that effect performance management. The findings show that all independent factors have a considerable influence on the performance management system, and there are substantial gender disparities in the sample. However, there were no substantial variations between employee age categories.

(Priyanka Shrivastava, 2018) Performance management systems became the foundation of every business, particularly in aggressive sectors such as finance and medicine, where rising ruthless rivalry is the latest watchword and fittest is the reality of the day. As a result, the study article focuses on assessing the efficacy of performance management system that evaluates both work satisfaction and organisational commitment at the same time. As a result, the current study seeks to investigate the link regarding the usefulness of a performance management system and employee satisfaction and commitment. The data indicate a strong relationship between the performance management system and satisfaction, as well as a modest relationship between employee work performance and commitment. To summarise, a successful performance management system is just a mantra for boosting employee commitment and keeps them coming back, as pleased minds work best.

(AHMAD ALI ALMOHTASEB, MOHAMMAD ADNAN ALMAHAMEED, DUA'A SHAHER TOBEERY, & HISHAM KAREEM SHAHEEN, 2017) Employee performance is improved through the use of performance management systems. The advent of the Balanced Scorecard, on the other hand, changed the objective of a performance management system. The purpose of this study is to investigate the moderating effect of using a Balanced Scorecard on the influence of a performance management system on employee performance. This research is being conducted on manufacturing enterprises listed on Jordan's Amman stock exchange. According to the findings, using a Balanced Scorecard moderates the influence of a performance management system on employee performance. This means that the application of the Balanced Scorecard integrates and strengthens the link among the performance management system and employee performance. According to the findings of this study, the Balanced Scorecard should be employed as a comprehensive technique of performance evaluation as well as a strategic management system to increase employee performance.

Research Methodology

The study's purpose is to assess the impact of a performance management system on employee performance. The current study uses a quantitative approach, and it relied only on primary data. A survey approach was employed to acquire data from respondents using questionnaires. Furthermore, the study employed a logical methodology to examine the study's hypotheses. The theory and hypothesis have been validated. The data sample for the investigation is chosen using simple random sampling. The survey's sample size is 648 employees. The questionnaire is divided into two sections. The first is concerning demographic factors including gender, age, qualification, company type, domain, and job experience. The second section includes 28 closed-ended questions about dependent and independent variables with seven alternatives ranging from strongly disagreed to strongly agreed. The data was analyzed using the statistical techniques listed below to evaluate the impact of various variables on employee performance (SMART-PLS). Cronbach's alpha was used to determine the convergent validity of measures for their dependability and to validate the content's veracity. T-statistics were utilized for hypothesis testing, with a p-value less than 0.05 demonstrating that there was a meaningful relationship between two variables.

Data analysis

Demographic Information of

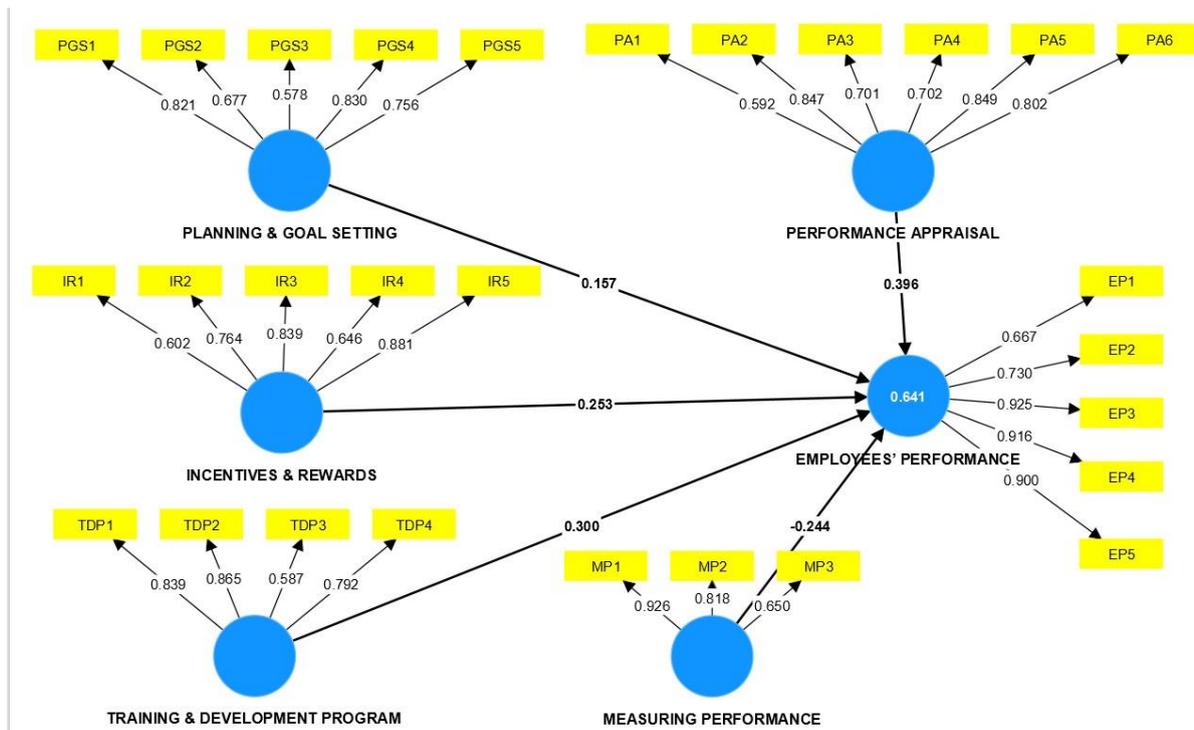
Demographics	Categories	Frequency	Percent
Gender	Male	343	53
	Female	305	47
Age	18 to 28	240	37
	28 to 38	213	33
	38 to 48	150	23
	48 to 58	45	7
Qualification	Bachelor degree	311	48
	Diploma	175	27
	Master degree	124	19
	PhD	38	6
Company type	Product based	188	29
	Service based	460	71
Domain	Full Stack Developer	149	23
	Data Scientist	104	16
	Software Developer	252	39
	Information Security Analyst	85	13
	Mobile App Developer	58	9
Work experience	Less Than 1 years	78	12
	1 to 5 years	246	38
	5 to 10 years	188	29
	More than 10 years	136	21

In our sample, 53 percent of the participants were male and 47 percent were female. Around 37% of those in the sample are between age of 18 to 28, and 33% are between ages of 28 to 38. There are 23% of personnel working in the IT industry are those whose age range from 38 to 48, and there are 7% of people who are between the ages of 48 to 58. The majority of people (48 percent) who work in it industry have a bachelor's degree as their qualification. The second most common degree is a diploma or short course in IT skills, which was completed by around 27% of people. Only around 6 percent of the total of professionals in the IT industry have a Doctor of philosophy, and roughly 19% of people completed their master's degree. The majority of workers (71) worked in service-based businesses, while 29 percent worked in product-based businesses. Software Developer is the most common job profile, with 39 percent of persons working in this field. The second most popular computer science field, with 23 percent of respondents

engaged in it, is full stack developer. Around 16% of persons were employed in the developing data science field. Approximately 13% of the sample worked as an Information Security Analyst. The number of persons working as Mobile App Developers is lower than in other domains, accounting for about 9% of the whole sample. Approximately 38% of those in the sample have employment experience ranging from one to five years. Around 12% of the sample was working as a fresher. Around 29 percent of employees had employment experience ranging from five to 10 years and about 21 percent of employees having more than 10 years of experience

Structural Model

Path Analysis co-efficient model



Path analysis is a sort of multiple linear regression data analysis in which the relationships between a target variable (Employee performance) and various independent factors are studied to test causation hypothesis. The value of R^2 of our model is 0.641. The r^2 value is close to one, implying that there is a significant strong correlation between the dependent and independent variables, and the value of adjusted r-square, such as 0.641 or 64.1 percent,

demonstrates the change has come on employee’s performance due to different attribute of performance management. According to the aforementioned model, performance appraisal is by far the most important attribute linked to employee performance. Employee performance was also positively affected through training and development, as well as bonuses and rewards. Planning and goal setting have also been linked to employee performance. Directly assessing performance every time is not a smart idea, and it has a detrimental impact on staff productivity.

Construct Reliability and Validity

	Cronbach's alpha	rho_A	Composite reliability	Average variance extracted (AVE)
EMPLOYEE PERFORMANCE	0.885	0.888	0.919	0.696
INCENTIVES & REWARDS	0.809	0.852	0.866	0.569
MEASURING PERFORMANCE	0.719	0.79	0.845	0.65
PERFORMANCE APPRAISAL	0.846	0.879	0.887	0.569
PLANNING & GOAL SETTING	0.791	0.819	0.855	0.545
TRAINING & DEVELOPMENT	0.773	0.774	0.858	0.606

Four columns in the table are used to assess the model's reliability and validity. In order for this model to be accepted, Cronbach's Alpha and rho A must both be greater than 0.7. In addition, the table offers Composite Reliability and Extracted Average Variance. The Composite Reliability level must be greater than 0.70, and the AVE value must be greater than 0.50. The above table demonstrates that all of the values are inside the allowed range, implying that our model is valid plus that we can proceed with our hypothesis testing.

Result and Discussion

Hypothesis	Relationship	STD Beta	STD Value	T Value	Decision	P Values
H1	INCENTIVES & REWARDS EMPLOYEE PERFORMANCE	-0.249	0.185	3.128*	Accepted	0.003
H2	MEASURING PERFORMANCE EMPLOYEE PERFORMANCE	-0.224	0.134	1.824	Rejected	0.068
H3	PERFORMANCE APPRAISAL EMPLOYEE PERFORMANCE	-0.407	0.129	4.074	Accepted	0.002
H4	PLANNING & GOAL SETTING EMPLOYEE PERFORMANCE	-0.209	0.092	2.346*	Accepted	0.021
H5	TRAINING & DEVELOPMENT EMPLOYEE PERFORMANCE	-0.511	0.118	5.211*	Accepted	0

The results of our hypothesis are displayed in the table above. This table displays the hypothesis, sample mean, standard deviation, T statistics, and p value. To support the alternative hypothesis, the T-value should be greater than 1.96. Out of five hypotheses, four hypothesis T-statistics value is greater than 1.96, so we will accept the alternative hypothesis and conclude that there is a relationship among the variables and our target variable, employee performance. However, from this model, it is clear that measuring performance has no relationship with employee performance because we accepted the null hypothesis because its statistical value is 1.824, which is less than 1.96.

Conclusions

As a result, the goal of this study was to look at the impact of various performance management characteristics on employee performance in the IT industry. We can generalize from data analysis that employee performance is highly influenced by the company performance management system. The most influential factor within performance management system is performance appraisal. Measuring performance in a systematic manner and delivering constructive feedback usually motivates employees to work more. The second most important component is training and development. Because technology is changing so quickly in the IT business, employees must discover emerging topics and programming languages on a regular basis in order to execute their jobs properly, thus providing them with training is critical. Following that, incentives and bonuses are quite effective in increasing employee productivity. Since it is human nature, if they were praised for their efforts, they would be motivated to perform even better the following time. Planning and goal setting are subcategories of performance management, and they also have a positive effect on employee performance because they provide people assurance that they are pursuing their long-term objectives via efficient work

today. Only one thing under performance management that has nothing to do with employee performance is monitoring performance on a daily and direct basis. This has a detrimental influence on employee performance if it is monitored on a daily basis and results in the individual being demoted. To improve employee performance, companies should utilise appropriate performance appraisal tools, provide training and awards, and assist employees in creating appropriate goals.

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