1.0   Introduction

The company concerned is a registered migrate agency based in Melbourne with three overseas offices locating in major cities in China. The company employs over 20 professional employees with two departments namely Nasra Student Services, and Nasra Migration Services. The company hereafter is shorted for Nasra Group.

1.1   Purpose

Justify the concept of performance management and the practical effect in Nasra Group. Identify the connection between human resource development and the performance management process and their contributions to the effectiveness of Nasra Group's operation.

1.2   Scope

Look at performance management in a theoretical and practical perspective taking account relevant business analysis.

1.3   Method

Information was collected from own experience and the management personnel within Nasra Group whereas arguments were based on journals, textbooks and websites.

1.4   Limitations and Assumptions

The limitations of the report were minimal, relating mainly to the rigid time frame set for the completion of the submission and the confidentiality of some sensitive information that was involved. It is assumed that all the theories and arguments were of great relevant and were overall correct.

2.0 Performance Management – the Concept

2.1 Performance Management Defined

Armstrong and Baron (1998, and cited in Tomlin, Delaney – Braund, Waters – Marsh & Kellie 2002 7-4) define performance management as a process deigned to improve organizational, team and individual performance. In their view, it is very much an holistic and systemic process bringing together issues of organizational performance, managerial effectiveness, individual performance, skill development, and reward management. These five aspects are integrated through Human Resource and line managers working together, with staff, to achieve the organization's desired outputs and outcomes (Tomlin et al 2002, 7-4).

2.2 Aims of Performance Management

Improving organizational effectiveness, motivating employees, and improving training and development as the three main reasons for introducing performance management. The identification of individual training needs to be a main purpose of schemes. Other purposes included setting objectives and targets and providing feedback on performance; changing the organizational culture and linking pay to productivity (Tomlin et al 2002).

Performance management concentrates on the overall achievements of the organization and ensures that all actions are linked strongly and directly to the strategic direction of the organization (Delahaye 1998, p. 135).

Stone (1998, p. 265, cited in Delahaye 1998, p. 135) sees the key elements of performance management as being the creation of a shared vision of the organization's strategic objectives; having performance objectives for each strategic business unit, function, team and individual; using a formal review process of progress towards these objectives; linking performance evaluation with employee development and rewards to motivate and reinforce desired behaviour. Armstrong

(1994, pp. 21-22, cited in Delahaye 1998, p. 135) sees performance management as bringing new, integrating features, it is regarded as a normal interactive process between managers, individuals and teams, not an administrative chore imposed from above; it is based on agreements on accountable, expectations and development plans – it measures and reviews performance by reference to both input/process factors and output/outcome factors; it is a continuous process, not relying on a once-a-year formal review; it treats the performance review as a joint process which is concerned primarily with looking constructively towards the future; it can provide the basis for a performance –related pay decisions and it attaches much more importance to the 'processes' of forming agreements, managing performance throughout the year and monitoring and reviewing results.

3.0   Performance Management – the Practice

Nasra aims at providing customer with superior consulting services – those who have been employed would be trained with customer service skills. Employees within the company would gathered on a weekly basis communicating the progress of each task that had been assigned, any new projects that are coming up as well as the discussion of rapidly changed migration legislation. The weekly gathering also serves the function of experience exchange meeting whereby recommendations, suggestions, experience gained whether good or bad can be brought out by all employees. Bonus and commission were paid on basis of bringing new customers and successful visa applications. Employees are responsible for case following ups and communication with various government departments and other organizations such as colleges; whereas managers would be supervising and reviewing employee performance. Informal training are carried out on regular basis to enhance employees' knowledge with updated legislations and any new precedents that've been ruled by the Department of Immigration and Migration Review Tribunal, thus, to maintain and improve the quality of the work done. Personalized task schedules are installed in employees' individual computers reminding of case deadlines and requirements whereas through intranet, the progress of each case can be easily viewed and monitored, and that information can be freely exchanged and customer inquiries could be better answered.

4.0   Measurement of Performance Management

Measurement is a crucial element in all performance management systems. The very nature of measurement in itself provides information as to what aspects of performance are considered important (Tomlin et al 2002, 9-4). However, Williams (2002, p. 64) outlined that if measurement is to be useful in performance management, it has to be forward-looking and concerned with performance improvement while Armstrong 2002 suggests that the measures should be objective and relate to results and observable behaviors.

4.1   Sources of Performance Information

Performance management systems tend to have, as one of the unstated purposes, the objective legitimizing the authority structures of the organization. In the case of Nasra, managers in charge in different departments are been regarded as the source of information, as they tend to be responsible for task allocations – to do this, they need information about performance and behaviors of employee to effectively allocate these tasks; and they are the ones who usually in some degree or proximity to the employee and, therefore, in a position to make some judgments about performance behavior (Tomlin et al 2002).

4.2   Measurement of Individual Performance

In Nasra, individual performance has been measured by defined objectives. Nasra who is concerned with consultation services and documentation processing services had long determined some standards, such standards consist of the manner that the service is been carried out; the general format of the documentation; the seriousness of deadline in visa applications and so on. However, the standards are not of rigid nature, they are reflections of the implied standard operating procedures within the migrate services industries and are created by the employees themselves. They are objective and results-oriented as well as encouraging innovation, creativity and performance improvements through increased employee motivations.

Individual performance in Nasra is been observed by its management and been reviewed and evaluate in weekly basis by comparing with the prescribed standards in all aspects depend on the job that one is taking.

4.3   Measurement of Organizational Performance

According to Williams (2002), performance measurement system serves important purposes for an organization – it supports decision; monitors effect of strategic plans; evaluates performance; diagnoses; manages a continuous improvement process; motivates; compares as well as records development.

Walters (1995, p. 172, cited in Williams 2002, p. 65), performance of an organization should be measured in five main areas: the contribution to the achievement of strategic objectives; measurement of quality; quantity and volume; efficiency and value for money and external and internal customer satisfaction.

Nasra's performance is been measured with the numbers of tasks on hand; visa applications' successful rate; quality of the applications that been submitted; feedbacks from customers and Department of Immigration and Migration Review Tribunal.

5.0   Theoretical Framework – the Performance Management Cycle

Nasra's performance approach could be explained by the theoretical framework called performance management cycle which based on 'plan, do, check, act' cycle.

Performance agreements are the platform in which the employee and the line supervisor discuss and agree on the performance expectations for the performance management cycle (Tomlin et al 2002, 8-4). It is individual targets based on organizational or work unit goals (Tomlin et al 2002), it defines the work to be done, the results to be attained and the attributes (skills, knowledge and expertise) and competences required to achieve these results; it also identifies the measures used to monitor, review and assess performance (Armstrong 1994, cited in Williams 2002).

In short, performance agreement communicates both the what and the how well of performance (Rummler & Brache 1995, cited in Willams 2002)

Performance planning is concerned with such activities as formulating the organization's vision and strategy and defining what is meant by performance. (Williams 2002, p. 13). Performance plan is a record of intended actions to deliver on the agreement.

Performance development is a process that operates along the performance agreements and planning in annual period. Williams (2002) defines performance development as taking a process perspective, including such activities as business process re-engineering, continuous process improvement, benchmarking, and total quality management.

Formal **performance review** is a component that is 'appraisal' in perforamnce appraisal schemes, or the assessment of the individual's performance against the agreement (Tomlin et al 2002). Performance is said to have embraced performance measurement and evalutaion (Williams 2002).

6.0   Human Resource Development in Place

6.1   Human Resource Development Outlined

Human Resources Development is about a system, planned activities and strategies of developing employees' skill, knowledge, beyond the requirements of the current position to assist an organization to achieve its goals, and also in order to meet future organisational objectives and career plans of the individual. It is the integrated use of training and development, career development, and organization development to improve individual effectiveness (Smith 1998). It was understood that HRD constitutes three processes: training and development, organization development and career development and that it also related closely to other HRM activities such

as organization design, human resource planning, performance management and selection and staffing (Smith 1998)

Human resource development is an important activity. Today, it is employee know-how that represents a key source of sustainable competitive advantage. Newly hired employees need to be trained to perform their jobs. Existing employees need to acquire new skills and knowledge. Changes, particularly in technology and organizational restructuring, mean that people and organizations are continually faced with situations that require new learning (Stone 2002, p. 316).

As outlined in Smith 1998, training and development in recent years has assumed center stage in an effort to restructure the Australian economy to meet the demands of global competition and that they have a positive impact on individuals, organizations and even the nations.

According to Smith 1998, the acquisition of skills also opens up opportunities for career development. Position promotion is increasingly determined by employees' possession of qualifications and skills. In Australia, the processes of award restructuring and enterprise bargaining have created career paths for employees through which progression is determined at least partly by skills. Training and development has therefore assumed vital importance for individual opportunity. Investment in training and development also repays the individual in terms of earnings and job security. It is the least skilled workers that normally get lay off first. Organizations cannot afford to risk losing employees who may be able to make the most contributions. Skilled and qualified workers also tend to retain their earnings differentials more effectively than non-skilled workers (Smith 1998).

For organizations, the importance of training and development lies in its links to performance and competitiveness. It has little doubt that training and development is a key ingredient in competitive success. It has the potential to improve labor productivity, quality as well as the ability of the organization to cope with change. As found in Smith (1998. p. 67), a highly trained work force is not only more productive but also more aware of its responsibility for doing the job properly. Thus, the trained workers realize that the ability of others to do their jobs to a quality standard depends on the standard of their own work. The successful implementation of

change, whether technical or organizational, relies on the skills of the organization's employees.

In context of Nasra, the informal training for all employees in relation to the latest migration trend, policies and application processes are within the definition of human resources development. The requisite annual courses for registered migration agent is brought out by the industry to ensure continuing learning and development is taking place.

6.2   Human Resource Development and Performance Management

Human resource development is the process focuses on training and development of the employees of their knowledge, skills, and abilities in relevant field. It assists improving both organization and individual's performance. The human resource development should be integrated and in line with the performance plans to be carried out. DeSimone Werner & Harris (2002, p. 366) outlines that performance management goes beyond the annual appraisal ratings and interviews, and incorporates employee goal setting, coaching, rewards and individual development. As such, performance management focuses on an ongoing process of performance improvement, rather than primarily emphasizing an annual performance review. It can therefore be seen clearly, the interdependent relationship between performance management and human resource development, whereas human resource development assists performance goal getting, it is performance goal setting and comparison that decide the type and nature of human resource development. Without appropriate human resource development program, an organization's performance can never be completely satisfied, yet without a specific performance goal and plan, no human resource program can ever be properly set up.

In the case of Nasra, after observation from employees' daily work performance and comparing the overall performance with its expected performance, managers in charge of different departments would implement proper training and development programs to improve efficiency and productivity.

7.0   Pay and Performance

The contemporary trend for the linkages of compensation to the performance management process is that more and more organizations are opting for a system of 'base' pay with a variable component for all levels of staff (Towers Perrin 1997, cited in Tomlin 2002). As said in Williams (2002), reasons for introducing performance-related pay system is to deal with incremental systems problems; reward and motivation; promotion of cultural and organizational change; improving communication; improving recruitment and retention and individualizing industrial relations. However, how directly is pay linked to performance? This varies according to level of employee and the presence of formal performance management (Wiliams 2002).

Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the agency's mission (Available at : http://www.opm.gov/perform/articles/019.htm#Rewarding Accessed on 6th October 2004). Rewards could be a 'present' for the best or outstanding performers in the organization who have improved their performance that achieved the goals and developed the organization's performance. For the high performers, it is compensation for the result of their efforts; for them and the employees who have been rewarded, it also serves as a motivation to effect their own responsibilities and development to be improved which could in turn increase productivity, effectiveness and competitive for the organization. Reward could also be for members of groups, the purpose of which is to encourage the members to have good relationship with the members, ability to have team working and co-operation skill (Porter, Bigley & Steers, 2003).

For employees, there are financial and non-financial awards. Financial rewards consist of cash bonus, paid holidays, share ownership, stock options, paid costs and other related to finance; whereas non-financial rewards include promotions, awards, holidays and paid educational and study programs (Porter et al 2003).

However, it was suggested that, employees typically want to be paid commensurate with the quality of their job performance. Yet, doing so requires a carefully constructed pay program, a commitment from supervisors, and well-orchestrated

communications to employees about their pay. (Available at http://www.work911.com/cgi-bin/links/jump.cgi?ID=4689 Accessed on 6th October)

As previously mentioned, Nasra does have a rewards program running. It offers employees commissions for each new case and customer that they bring in, whereas, staff would be rewarded bonus for every successful visa application that they deal with, these can be considered as financial rewards. However, non-financial rewards are taking place in Nasra too, in the sense that it offers the opportunity for employees to be more update with the latest information by holding regular informal training sessions. Considering Nasra is a relatively small business, it can be concluded rewarding is important to its performance. And that, the pay system in Nasra is an effective method in inducing individual motivation and efficient performance.

8.0   Evaluation of Existing Performance Management

In lights of Williams (2002), the criteria of performance management effectiveness consisting of: identification of constituent groups of at least three – the organization, line managers and the employees; identification of constituent goals of which each group will have a set of goals and identification of specific objectives. In short, organization is seeking information for developing performance and on which to base rewards whereas individual seeking valid performance feedback and important extrinsic rewards.

Nasra as an organization itself is hoping to increase employee performance and productivity; to encourage employee motivation; to clarify and communicate what is expected of employees; to plan work; to identify training and development needs; to determine to administrative decisions (Williams 2002).

Managers within each department are willing to encourage employee motivation; to increase employee performance; to avoid interpersonal conflict; to build and maintain good interpersonal and working relationships; to enhance one's own status within the company; to manage impressions; to develop employees' competence; to enhance employees' self-esteem and other aspects of well-being.

Employees within Nasra are expecting positive feedback for their performance; avoid interpersonal conflict; build and maintain good interpersonal and working relationships; manage impressions; identify and meet development needs; know where one stands for the future; develop personal competence; enhance self-esteem and other aspects of well-being; defend against criticism; convey upward feedback; have interesting and satisfying work; seeking improvements to working conditions (Williams 2002).

Based on the previous discussion in relation to Nasra, it is believed that the overall performance management in place – such as communicating the organizational and individual performance on a weekly basis; performance goal setting; planning, performance review, regular training and development program and continuing and consistent rewarding programs are relatively effective. The informal management of performance is serving as a channel of communicating organizational and individual expectations and performance.

9.0   Recommendation

Given the informal nature of the performance management in Nasra, it is recommended that the process to be formalized in line with the expansion of the business. Effective communication is of vital importance within the process of performance management. Given Nasra's organizational structure, it is recommended, channels of communication to be expanded to include electronic communication such as those applied in government sectors and banks to boost efficiency.

To be successful, Nasra should not ignore the importance of the rapid changing factor – technology. Creating a website that contains most updated migration information would be meaningful – not only it is time-saving that the companies activities overseas can be easily assessed, it also brings in new business opportunities and improves productivity. However, once the website is built up, it is up to Nasra to implement a brand new performance strategies. Nasra should also develop training programs to help employees gaining computing and data processing skills to fill their skill and experience gaps.

It is also recommended that Nasra should freely dispense information about the business, about its financial performance to build a trust relationship with employees of which shows the company's respect of their ability to understand and contribute to the business as a whole. As much autonomy as Nasra can handle should be given to employees make employees happy with minimum of supervision and more decision making power; and Nasra should consider to provide flexible work arrangements so that employees can make better adjustments with their own work-life balance.

Last but not least, Nasra should also relate its performance management with possible hiring and retention strategies to keep the talents and attract new talents' entry.

10.0   Conclusion

Performance management whereas closely related to other business operation strategies, it is an important part if one wishes to be successful. Effective performance management especially if integrates with appropriate human resource development and rewards programs, increases organization's productivity and efficiency, and motivates employees' working and self-esteem. And that Nasra is a great little illustration of the essence of the performance management.

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