

## **What is management?**

Management can be defined as the process of administering and controlling the affairs of the organization, irrespective of its nature, type, structure and size.

### **Performance Management Defined**

Let's imagine that you work for Bottles and more, which is a company that produces baby bottles. Your job duties include packing up the bottles and getting them ready for shipment. Lately, you have noticed that your boss has been approaching you and asking questions about if you are aware of the target goal of 3,000 bottles shipped a month. She also asks if you know the objectives of your job position. She even sat you down one day to go over the results of last month's total shipments and provide feedback about your performance.

What your manager is doing, is partaking in a process known as performance management, which is a process that involves communication between a manager or supervisor and an employee that focuses on expectations, objectives, goals, feedback, and results. In other words, it is the process of letting the employee know what is expected of them, watching to see if they perform as expected, rating their performance, and ultimately rewarding them if their performance is good. So, your manager is letting you know that you are expected to reach the target of 3,000 shipments per month, that you are being watched to see if you meet that goal, and providing feedback about how well you are doing to meet that goal.

So, if this is performance management, how does the entire process really work?

There are five major steps involved in the performance management process:

- Planning
- Monitoring
- Developing
- Rating
- Rewarding.

### **IMPORTANCE:**

- **Increased focus on driving business results.**
- **An empowered and engaged workforce**
- **Foundational knowledge of talent.**

## Difference between performance management and performance appraisal

1. Reactive and proactive
2. Developing and evaluating
3. One time and ongoing process
4. Individual and collective
5. Rigid and flexible