Chapter 9
Performance Measuring Process

ABSTRACT

Performance of any organizational is a dynamic process and needs to be measured periodically. The performance measurement is a process involving development of control measures that help in coordinating organizational tasks and motivating people to improve their performance. This chapter discusses managing the values and organizational change in financial institutions during economic recession and how to sustainable growth. The discussion demonstrates a sustainable paradigm for managing performance and sustainable growth of financial institutions by converging traditional design activities, work culture, and monitoring and evaluation measures. It is argued in the chapter that the performance of managers is demonstrated by effective administrative skills not only in developing new ambiance to carry tasks effectively but also to resolve conflicts and ambiguities during the task handling process and dynamics.

INTRODUCTION

Organizations typically depend upon performance evaluation measures to provide feedback to managers regarding the achievement of strategic objectives. Using performance measures framed in a positive manner can help generate more creativity, more problem-solving ability, and greater communication among managers, leading to progress toward organizational objectives.

Cravens et al (2010)

DOI: 10.4018/978-1-4666-0969-3.ch009

Organization design may be defined as a formal, guided process for integrating organizational values, work culture and flow of author and control measures for sustainable management of performance of an organization. Through the design process, organizations drive to improve the probability that the collective efforts of members will be successful. As organizations grow, the control and coordination process of activities that are required for creating organization values need to be determined. Organizations face the principal design challenge in managing differentiation in work culture and organizational structure towards achieving predetermined goals. Organizational design involves preferences in developing control measures that help in coordinating organizational tasks and motivate the people to improve their performance (Jones, 2007). Substantively, it is argued that a mix of much differentiated coordination mechanisms is usually superior to the coherent forms of organization. More refined forms of organization possess combinations of coordination mechanisms and control allocations. Such organizational design is preferred by most global firms for effective governance in the fast changing systems of today (Grandori and Soda, 2006).

ORGANIZATIONAL DESIGN

The design of an organization encompasses the accountability system that defines roles, rights, and responsibilities throughout the firm, which has a direct impact on the performance of every employee. Global financial organizations view the design of an organization as a powerful and proactive management lever rather than an inevitable outcome of corporate evolution. An integrated organizational design helps in cultivating the performance driven work culture and accountability among employees through sustainable structure that holds judiciously planned authority and control measures (Simons, 2005). Organizational design is becoming more and more a cornerstone of competitive advantage in today's increasingly complex companies. Managers need to create powerful synergies among their capabilities, among market opportunities, and between the two. These synergies help in forming multidimensional organizational designs. Such organizational designs not only reify and empower the dimensions of workplace culture and control process but also define and manage the collaborative interfaces needed for effective convergence of organizational design, organizational culture and control process (Miller, 2005).

Mangers in large financial organizations can maximize productivity across every level of the organization by converging the design, culture and structure related issues. The new cultural paradigm of the financial organizations has emerged over the recent global financial meltdown, which has been built underpinning four core elements including customer definition, critical performance variables, creative learning, and commitment to mission. Building from these core areas the organizational structures and accountability systems are developed that positively influence how people do their work, where they focus their attention, and how their activities can be aligned to contribute to overall strategic goals (Ivashina and Scharfstein, 2010; Simon, 2005). Many companies like Cisco, Dow Chemical, 3M, and Roche to establish some basic rules for setting, delivering strategy, and measuring the performance of the activities. These companies keep the strategy implementation process simple and make it sustainable by avoiding long, drawn-out descriptions of lofty goals. It is necessary for managers to debate on assumptions but just not forecasts. Creating cross-functional teams drawn from strategy, marketing, and finance to ensure the assumptions underlying your long-term plans would reflect both the real economics of company's markets and its actual performance relative to competitors. In order to increase the performance, large companies use a rigorous analytic framework and ensure that the dialogue between the corporate center and the business units about market trends and assumptions is conducted within a rigorous framework, such as that of "profit pools." The managers need to discuss resource deployments early and create more realistic forecasts and more executable plans by discussing up-front the level and timing of critical deployments. Continuously monitor performance and tracking resource deployment and results against plan, using continuous feedback to

Related Content