

# MHRM IV SEM.

## INTERNATIONAL HUMAN RESOURCE MANAGEMENT

### UNIT – 3

### TOPIC - PERFORMANCE MANAGEMENT IN INTERNATIONAL ORIENTATION

# COMPENSATION

Compensation may be defined as financial remuneration, employee receive in exchange of their labour.

It deals with wages, salary, pay increase and other money related issues. the compensation system is designed to reward employees in an equitable manner and to serve as an inducement for the attraction and retention of a good workforce.



## **Components of Compensation / Factors Associated with Compensation**

**1. It Should be Legal**

**2. Be Adequate**

**3. Be Motivating**

**4. Be Equitable**

**5. It Should Provide Security**



# **CRITERIA USED FOR PERFORMANCE APPRAISAL OF INTERNATIONAL EMPLOYEE**

Individual performance management involves job analysis and job goals & standards and performance appraisal. Traditionally it comprise formal process of goal setting, performance appraisal and feedback. Data from this process is used to determine pay and promotion and training & development requirements. There may be difference in the way this process is handled within companies. Handing over the goals can also be different countries.



# **CRITERIA USED FOR PERFORMANCE APPRAISAL OF INTERNATIONAL EMPLOYEE**

1. Performance Criteria
2. Who Conducts the Performance Appraisal?
3. Standardized or Customized Performance Appraisal Form
4. Frequency of Evaluation
5. Performance Feedback



# CRITERIA USED FOR PERFORMANCE APPRAISAL OF INTERNATIONAL EMPLOYEE

1. Performance Criteria
2. Who Conducts the Performance Appraisal?
3. Standardized or Customized Performance Appraisal Form
4. Frequency of Evaluation
5. Performance Feedback



# PERFORMANCE CRITERIA

We need to recognize that hard, soft and contextual goals are often used as the basis of performance criteria

**Hard Goals:** These objective, quantifiable and can be directly measured such as return on investment market share net profit

**Soft Goals:** These goals tend to be relationship or trait based such as leadership style, interpersonal skills, labour relations etc.

**Contextual Goals:** These Goals attempt to take into consideration factors that result from the situation in which performance occurs



# Goals Should Be

**S - Specific**

**M – Measurable**

**A – Achievable**

**R - Relevant**

**T – Time Bounded**

**E – Evaluate**

**R – Reward & Revise**






# WHO CONDUCTS THE PERFORMANCE APPRAISAL?

Typically employees are appraised by their immediate supervisor or supervisors and this can be cause problems for subsidiary managers.

They work in countries geographically distant evaluated by supervisor back at headquarter who are not in position to see on a day-to-day basis how the expatriate perform in particular situation

Appraisal of other expatriate employee is likely to be conducted by the subsidiaries chief executive officer, the immediate host country supervisor or the individual home country managers, depending on the nature and level of the assignment. Host country manager may have a clear picture of expatriate performance and can take on contextual criteria into consideration. But they may have cultural biases and lack of appreciation.



# STANDARDIZED OR CUSTOMIZED PERFORMANCE APPRAISAL FORM

Domestic companies commonly design appraisal forms for each job category, particularly those using a traditional performance appraisal approach rather than performance management. Such standardization assist in the collection of accurate performance data on which personal decision can be made and allowed for cross employee comparison.



# FREQUENCY OF EVALUATION

In practice evolution is commonly performed on a yearly basis and this is to extend or reduce according to the nature of assignment.



# PERFORMANCE FEEDBACK

Important aspects of effective performance management system is the provision of timely feedback. Regular feedback is an important aspect in terms of meeting targets and revising goals.



THANKS  
&  
ALL THE BEST

