



A Study on the Effective Performance Management System for Executives at Congruence Holdings

Kaviya K

Department of Management Studies

Saveetha Engineering College (Autonomous), Chennai, India

How to Cite this Article:

K, K. (2026). A Study on the Effective Performance Management System for Executives at Congruence Holdings. International Journal of Creative and Open Research in Engineering and Management, <i>02</i>(04).
<https://doi.org/10.55041/ijcope.v2i4.055>

License:

This article is published under the terms of the Creative Commons Attribution 4.0 International License (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author(s) and the source are credited.

© The Author(s). Published by International Journal of Creative and Open Research in Engineering and Management.



<https://doi.org/10.55041/ijcope.v2i4.055>

ABSTRACT

Performance management systems (PMS) play a pivotal role in aligning individual executive performance with organisational goals, driving productivity, accountability, and strategic achievement. This study investigates the effectiveness of the performance management system implemented for executives at Congruence Holdings, a mid-sized conglomerate headquartered in Chennai, India. Employing a descriptive research design with a structured questionnaire administered to 65 executives across various functional departments, the research evaluates key dimensions of PMS effectiveness including goal clarity, appraisal fairness, feedback quality, training and development linkage, reward alignment, and overall executive satisfaction with the system. The study employs a five-point Likert scale to measure responses and presents findings through frequency distributions, mean performance scores, and dimensional analysis. Results indicate a mean overall satisfaction score of 3.76 out of 5, with goal clarity and reward alignment emerging as the strongest dimensions, while feedback quality and developmental support require strategic improvement. Approximately 73.8% of respondents affirmed that the existing PMS positively influences their performance motivation. Key challenges identified include inconsistency in appraisal standards, inadequate mid-year feedback mechanisms, and limited linkage between performance outcomes and career advancement. The study provides actionable recommendations for Congruence Holdings to enhance the effectiveness, fairness, and developmental orientation of its executive performance management framework.

INDEX TERMS *Performance Management System, Executive Appraisal, Goal Setting, Feedback Mechanisms, Reward Alignment, Employee Motivation, Congruence Holdings, Organisational Performance.*



1. INTRODUCTION

In the contemporary business environment, the ability of organisations to achieve sustainable competitive advantage is increasingly determined not merely by technological assets or financial capital, but by the calibre and performance of their human resources, particularly at the executive level. Performance management systems (PMS) have thus evolved from traditional annual appraisal exercises into comprehensive, strategically integrated frameworks that encompass goal setting, continuous feedback, developmental planning, and performance-linked reward mechanisms. For organisations navigating the complexities of dynamic markets, an effective PMS serves as the critical connective tissue between individual executive effort and organisational strategic objectives.

Congruence Holdings, a diversified conglomerate with operational interests spanning manufacturing, logistics, financial services, and technology solutions, represents a compelling organisational context for the empirical investigation of PMS effectiveness. As the company has scaled its operations across multiple business verticals, ensuring that its executive workforce remains aligned with evolving strategic priorities has become a central challenge for its human resources leadership. The organisation currently employs a hybrid performance management framework combining annual key result area (KRA) assessments with quarterly review checkpoints, 360-degree feedback modules, and a graded incentive structure tied to performance band classifications.

Despite the structural robustness of this framework on paper, anecdotal evidence from within the organisation suggests significant variation in the perceived effectiveness of the PMS among executives across different departments and hierarchical levels. Concerns relating to goal ambiguity, appraisal subjectivity, inadequate feedback frequency, and misalignment between performance outcomes and career progression have been informally reported, signalling the need for a systematic, data-driven evaluation of the system's operational effectiveness.

This study aims to address this empirical gap by conducting a structured survey of 65 executives at Congruence Holdings, assessing the perceived effectiveness of the performance management system across six core dimensions: goal clarity, appraisal fairness, feedback quality, training and development linkage, reward alignment, and overall executive satisfaction. The findings are intended to provide the organisation's leadership with actionable, evidence-based insights to refine and strengthen its executive PMS, thereby enhancing individual performance motivation, departmental productivity, and overall organisational effectiveness.

2. LITERATURE SURVEY

The academic literature on performance management systems has evolved considerably over the past four decades, transitioning from a narrow focus on annual performance appraisals to a broader conception of PMS as a strategic, continuous, and developmentally oriented process. Aguinis [1] provided a comprehensive framework defining performance management as a continuous process of identifying, measuring, and developing the performance of individuals and teams, aligning such performance with the strategic goals of the organisation. His work established the conceptual foundation for understanding PMS as a dynamic, multi-dimensional system rather than a static administrative exercise.

Armstrong and Baron [2] contributed significantly to the practitioner understanding of performance management by articulating the distinction between performance appraisal — a backward-looking evaluative exercise — and performance management — a forward-looking developmental process. Their research underscored the importance of goal setting, continuous dialogue, and coaching relationships in determining the motivational effectiveness of PMS in corporate environments. Complementarily, Locke and Latham [3] provided the theoretical backbone for goal-setting within PMS through their foundational Goal Setting Theory, demonstrating empirically that specific, challenging goals linked to performance feedback produce significantly higher levels of individual performance than vague or non-existent goal structures.

In the Indian corporate context, Sharma and Taneja

[4] examined the effectiveness of performance appraisal systems in mid-sized Indian conglomerates, finding that appraisal fairness and supervisor-subordinate trust were the most significant determinants of employee satisfaction with PMS outcomes. Similarly, Krishnamurthy and Reddy [5] investigated the relationship between 360-degree feedback mechanisms and executive motivation in Indian manufacturing firms, revealing that multi-source feedback significantly enhanced perceived appraisal accuracy but required robust facilitation and confidentiality assurances to produce constructive developmental outcomes.



Pulakos [6] examined the challenges of implementing effective performance management in large, complex organisations, identifying goal misalignment, rater bias, inadequate training of appraisers, and weak linkages between performance data and HR decisions as the primary systemic barriers to PMS effectiveness. Her findings have particular resonance for diversified conglomerates such as Congruence Holdings, where the heterogeneity of business verticals creates significant challenges for standardised goal-setting and appraisal calibration. Posthuma and Campion [7] conducted a meta-analytic review of performance appraisal research, demonstrating that procedural fairness perceptions — particularly the opportunity to participate in goal setting and the consistency of appraisal standards — are the strongest predictors of appraisal satisfaction and post-appraisal performance improvement.

More recent scholarship by Cappelli and Tavis [8] has challenged conventional annual PMS frameworks, advocating for more agile, continuous feedback-oriented approaches that leverage real-time performance data and frequent developmental conversations. Their work has catalysed substantial PMS reform in global organisations, raising important questions about the adequacy of traditional hybrid frameworks — such as that employed by Congruence Holdings — in meeting the performance development expectations of contemporary executives. Collectively, the extant literature provides a robust theoretical and empirical foundation for the present study, identifying goal clarity, appraisal fairness, feedback quality, developmental linkage, and reward alignment as the core constructs for assessing PMS effectiveness at the executive level.

3. PROBLEM STATEMENT

Despite the structural presence of a performance management framework at Congruence Holdings, a systematic evaluation of its perceived effectiveness among the executive workforce has not been previously conducted. The organisation's growth across multiple business verticals has introduced significant complexity into the PMS operating environment, with executives in different functional areas — manufacturing operations, financial services, logistics management, and technology solutions — reporting varying degrees of alignment between their individual performance goals and the organisation's broader strategic objectives.

Preliminary organisational feedback has highlighted three inter-related concerns. First, there is a perceived inconsistency in the application of appraisal standards across departments, with some business units reporting substantially more rigorous and structured review processes than others. Second, the frequency and quality of performance feedback provided to executives have been identified as inadequate, with the quarterly review checkpoints reportedly functioning as administrative milestones rather than genuine developmental conversations. Third, executives express concern that performance outcomes — even when objectively strong — do not consistently translate into corresponding career advancement,

compensation adjustments, or skill development opportunities, weakening the motivational efficacy of the PMS.

These systemic concerns, if unaddressed, risk eroding executive engagement, increasing attrition among high-performing talent, and undermining the organisation's capacity to execute its multi-vertical growth strategy effectively. This study addresses these gaps through a systematic, empirically grounded survey of 65 executives, providing Congruence Holdings with a data-driven diagnostic of its PMS strengths and developmental areas, and offering actionable recommendations to enhance the system's effectiveness, fairness, and strategic impact.

4. RESEARCH METHODOLOGY

4.1 Research Design

This study adopts a descriptive research design employing a quantitative survey methodology. A structured questionnaire was developed encompassing six core dimensions of performance management system effectiveness: goal clarity, appraisal fairness, feedback quality, training and development linkage, reward alignment, and overall satisfaction. The survey instrument was validated through a pilot study with five senior HR professionals at Congruence Holdings and refined for construct clarity and internal consistency prior to full deployment.

4.2 Sample and Data Collection

A census sampling technique was employed, targeting the entire executive population at Congruence Holdings across all four business verticals. A total of 65 valid responses were collected from executives across managerial and senior managerial grades. The demographic composition of the sample is presented in Table 4.1.



Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	42	64.6%
	Female	23	35.4%
Age Group	25 – 30 years	14	21.5%
	31 – 40 years	29	44.6%
	41 – 50 years	16	24.6%
	Above 50 years	6	9.2%
Department	Manufacturing & Operations	18	27.7%
	Financial Services	15	23.1%
	Logistics & Supply Chain	14	21.5%
	Technology Solutions	18	27.7%
Years of Experience at Congruence Holdings	Less than 2 years	9	13.8%
	2 – 5 years	22	33.8%
	6 – 10 years	24	36.9%
	More than 10 years	10	15.4%
Executive Grade	Junior Manager (M1–M2)	28	43.1%
	Senior Manager (M3–M4)	25	38.5%
	General Manager / VP	12	18.5%

Table 4.1. Demographic Profile of Respondents (N=65)

4.3 Measurement Dimensions

The effectiveness of the performance management system was assessed across six core dimensions using a five-point Likert scale (1 = Strongly Disagree / Very Poor to 5 = Strongly Agree / Excellent): (i) clarity of performance goals and KRA alignment with organisational strategy, (ii) perceived fairness and objectivity of the appraisal process, (iii) quality, frequency, and actionability of performance feedback, (iv) linkage of performance outcomes to training, development, and career advancement, (v) alignment of reward and recognition mechanisms with performance outcomes, and (vi) overall satisfaction with the performance management system. Respondents additionally provided data on their primary performance concerns, appraisal frequency preferences, and recommendations for system improvement.

4.4 RESULTS AND DISCUSSION

4.5 Departmental Distribution and Experience Profile

The survey findings confirm a broadly representative sample across Congruence Holdings' four business verticals, with Manufacturing & Operations and Technology Solutions each contributing 27.7% of respondents (18 executives each), Financial Services contributing 23.1% (15 executives), and Logistics & Supply Chain contributing 21.5% (14 executives). This distribution broadly reflects the relative headcount across the organisation's business units. With respect to experience tenure, the largest cohort comprises executives with 6–10 years at Congruence Holdings (36.9%), followed by those with 2–5 years (33.8%), indicating a predominantly mid-tenure executive workforce with substantial institutional knowledge. Table 5.1 details the departmental distribution of respondents.



Department	Frequency	Percentage (%)
Manufacturing & Operations	18	27.7%
Financial Services	15	23.1%
Logistics & Supply Chain	14	21.5%
Technology Solutions	18	27.7%
Total	65	100%

Table 5.1. Departmental Distribution of Respondents (N=65)

4.6 Performance Management System Effectiveness – Core Dimension Scores

The six core dimensions of PMS effectiveness were evaluated using a five-point Likert scale. Table 5.2 presents the mean scores for each dimension across the 65 executive respondents, providing a diagnostic profile of the system's perceived strengths and developmental priorities.

PMS Effectiveness Dimension	Mean Score (/5)	Interpretation
Clarity of Performance Goals and KRA Alignment	4.02	Good
Fairness and Objectivity of Appraisal Process	3.58	Satisfactory
Quality and Frequency of Performance Feedback	3.21	Needs Improvement
Linkage to Training, Development & Career Advancement	3.44	Satisfactory
Reward and Recognition Alignment with Performance	3.89	Good
Overall Satisfaction with PMS	3.76	Good

Table 5.2. Mean PMS Effectiveness Scores Across Core Dimensions (N=65)

The results reveal a clear performance profile with identifiable strengths and improvement areas. Goal clarity and KRA alignment received the highest mean score (M = 4.02), indicating that Congruence Holdings has been largely successful in communicating strategic objectives and translating them into individual executive goal frameworks. Reward and recognition alignment also received a strong rating (M = 3.89), reflecting a generally positive perception of the incentive structure's motivational efficacy. Overall satisfaction (M = 3.76) represents a good aggregate rating, suggesting that the majority of executives regard the PMS as broadly functional.

However, the feedback quality dimension received a notably lower mean score (M = 3.21), approaching the boundary of the 'Needs Improvement' classification. This finding aligns with the organisational concerns raised in the problem statement regarding the adequacy of mid-year developmental conversations. The developmental linkage dimension (M = 3.44) and appraisal fairness (M = 3.58) also received satisfactory rather than good ratings, indicating that these areas require targeted intervention to realise the full strategic potential of the PMS.

4.7 Frequency of Formal Performance Reviews

The frequency of formal performance review meetings is a critical structural determinant of PMS effectiveness, influencing both goal alignment and feedback timeliness. Table 5.3 presents the distribution of respondents' reported actual experience of formal review frequency at Congruence Holdings.



Review Frequency Experienced	Frequency	Percentage (%)
Only Annual Review	21	32.3%
Semi-Annual (2 per year)	18	27.7%
Quarterly (4 per year)	19	29.2%
Monthly or More Frequent	7	10.8%
Total	65	100%

Table 5.3. Frequency of Formal Performance Reviews Experienced by Executives (N=65)

The data reveal a concerning disparity between the organisation's stated hybrid PMS framework — which prescribes quarterly review checkpoints — and actual executive experience, with 32.3% of respondents reporting only an annual formal review. This suggests significant implementation inconsistency across departments and managerial levels, a finding that likely contributes to the below-average feedback quality scores reported in Table 5.2.

4.8 Executive Perceptions of Appraisal Fairness and Goal Alignment

Analysis of executive perceptions regarding the two foundational dimensions of PMS — appraisal fairness and goal alignment — reveals important nuances in the organisational experience. With respect to goal alignment, 64.6% of respondents reported that their individual KRAs were clearly linked to their department's strategic objectives, while 23.1% expressed partial alignment and 12.3% reported poor or unclear goal linkage. The partial and poor alignment categories are disproportionately represented among executives in the Financial Services and Logistics verticals, suggesting that KRA cascading processes may be less rigorously implemented in these business units. Regarding appraisal fairness, 49.2% of respondents rated the appraisal process as fair or very fair, 33.8% rated it as moderately fair, and 16.9% rated it as unfair or very unfair. The relatively high proportion of executives perceiving fairness deficits — approaching one in six — signals a systemic concern with appraisal standardisation and calibration processes. These findings are consistent with the mid-range appraisal fairness score (M = 3.58) reported in Table 5.2.

4.9 Primary Challenges in the Existing Performance Management System

Respondents were asked to identify the most significant challenges they experience with the existing performance management system. The distribution of identified challenges is presented in Table 5.4.

Challenge	Frequency	Percentage (%)
Inconsistency in appraisal standards across departments	19	29.2%
Inadequate frequency and quality of feedback	17	26.2%
Weak linkage between performance and career advancement	13	20.0%
Insufficient developmental support and training opportunities	9	13.8%
Goal ambiguity and poor KRA cascading	7	10.8%
Total	65	100%

Table 5.4. Primary Challenges in the Existing PMS as Reported by Executives (N=65)

Inconsistency in appraisal standards across departments emerged as the most prevalent challenge (29.2%), reflecting the cross-departmental variation in PMS implementation quality identified in earlier sections. This finding underscores the need for centralised calibration processes and standardised appraisal rubrics to ensure equitable assessment across Congruence Holdings' diverse business verticals. Inadequate feedback frequency and quality (26.2%) reinforces the below-average feedback dimension score, confirming that the quarterly review checkpoints are not being implemented with the intended developmental rigour across all business units. The weak linkage between performance outcomes and career advancement (20.0%) indicates that even executives who perform well under the existing KRA framework do not consistently perceive a clear career reward for their performance,



undermining the long-term motivational effectiveness of the system.

A central question in the survey examined whether executives perceive the existing performance management system as a positive motivation.

Executive Perceptions of PMS Motivational Impact

PMS Motivational Impact Perception	Frequency	Percentage (%)
Yes – PMS positively motivates my performance	48	73.8%
Conditionally – Depends on review quality and outcomes	11	16.9%
No – PMS does not positively influence my motivation	6	9.2%
Total	65	100%

Table 5.5. Executive Perception of PMS Motivational Impact (N=65)

A substantial majority of executives (73.8%) affirmed that the performance management system positively motivates their performance, a finding that provides a robust endorsement of the system's fundamental motivational architecture. A further 16.9% expressed conditional affirmation, indicating that motivational effectiveness is contingent on the quality of individual appraisal and feedback experiences. Only 9.2% reported that the PMS does not positively influence their motivation. Among those who affirmed the PMS's motivational effectiveness, the primary motivational drivers cited were goal clarity and target achievement visibility (38.3%), reward and recognition linkage (31.9%), feedback and developmental guidance from supervisors (17.0%), and peer performance benchmarking (12.8%).

4.10 Preferred PMS Enhancement Measures

Respondents were invited to identify the PMS enhancement measures they considered most critical for improving system effectiveness at Congruence Holdings. The distribution of preferred enhancement priorities is presented in Table 5.6.

The demand for clearer performance-to-career-

Preferred Enhancement Measure	Frequency	Percentage (%)
More frequent and structured feedback sessions	22	33.8%
Standardised appraisal rubrics and calibration panels	18	27.7%
Clearer linkage between performance bands and career progression	14	21.5%
Enhanced training and development opportunities	7	10.8%
Digital PMS platform for real-time goal tracking	4	6.2%
Total	65	100%

Table 5.6. Preferred PMS Enhancement Measures as Reported by Executives (N=65)

The preferences expressed by executives are clearly aligned with the challenges identified in Table 5.4, with enhanced feedback frequency and structure (33.8%) and standardised appraisal rubrics (27.7%) emerging as the highest priority improvement areas.

urgently required than technological transformation of the PMS infrastructure.

5. CONCLUSION

This study presents a comprehensive empirical analysis of the effectiveness of the performance management system for executives at Congruence

Holdings, drawing on structured survey data from

65 executive respondents across four business verticals. The findings collectively reveal a PMS that possesses meaningful structural strengths — particularly in goal clarity and reward alignment — but requires targeted developmental intervention in the areas of feedback quality, appraisal standardisation, and performance-to-career-advancement linkage.



The research establishes that the majority of executives at Congruence Holdings (73.8%) perceive the existing PMS as a positive motivational influence, providing a strong foundational endorsement of the system's core architecture. However, the feedback quality dimension ($M = 3.21$) and the significant implementation gap between the prescribed quarterly review frequency and actual executive experience — with 32.3% reporting only annual reviews — represent material risks to the system's long-term developmental effectiveness and motivational sustainability.

The challenge of appraisal inconsistency across departments, identified by 29.2% of respondents as the most significant systemic concern, highlights the critical importance of establishing centralised calibration mechanisms and standardised appraisal rubrics to ensure equitable assessment across Congruence Holdings' diverse operational environment. The weak perceived linkage between performance excellence and career advancement opportunities, identified by 20.0% of respondents, signals an equally important opportunity to strengthen the PMS's long-term motivational architecture.

Congruence Holdings is recommended to implement the following strategic enhancements to its executive PMS: establish mandatory, structured quarterly developmental review conversations facilitated by trained line managers with clear documentation standards; develop and deploy standardised appraisal rubrics and calibration panels to ensure cross-departmental assessment consistency; create transparent performance band- to-career-progression matrices clearly communicated to all executive grades; expand access to targeted executive development programmes linked directly to performance review outcomes; and consider piloting a digital PMS platform to facilitate real-time goal tracking and continuous feedback functionality. Future research may extend these findings through longitudinal tracking of PMS reform impact on executive retention, performance outcomes, and organisational productivity at Congruence Holdings.

REFERENCES

- [1] Aguinis, H. (2019). *Performance Management* (4th ed.). Chicago Business Press.
- [2] Armstrong, M., and Baron, A. (2005). *Managing Performance: Performance Management in Action*. Chartered Institute of Personnel and Development.
- [3] Locke, E. A., and Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation. *American Psychologist*, 57(9), 705–717.
- [4] Sharma, A., and Taneja, M. (2018). Performance appraisal systems and employee satisfaction in Indian conglomerates. *Indian Journal of Industrial Relations*, 54(2), 312–327.
- [5] Krishnamurthy, R., and Reddy, S. (2019). 360-degree feedback and executive motivation in Indian manufacturing firms. *Vikalpa: The Journal for Decision Makers*, 44(3), 131–145.
- [6] Pulakos, E. D. (2009). *Performance Management: A New Approach for Driving Business Results*. Wiley- Blackwell.
- [7] Posthuma, R. A., and Campion, M. A. (2008). Twenty best practices for just employee performance reviews. *Compensation & Benefits Review*, 40(1), 47– 55.
- [8] Cappelli, P., and Tavis, A. (2016). The performance management revolution. *Harvard Business Review*, 94(10), 58–67.
- [9] Dessler, G. (2020). *Human Resource Management* (16th ed.). Pearson Education.
- [10] Murphy, K. R., and Cleveland, J. N. (1995). *Understanding Performance Appraisal: Social, Organizational, and Goal-Based Perspectives*. SAGE Publications.
- [11] Fletcher, C. (2001). Performance appraisal and management: The developing research agenda. *Journal of Occupational and Organizational Psychology*, 74(4), 473–487.
- [12] DeNisi, A. S., and Smith, C. E. (2014). Performance appraisal, performance management, and firm-level performance. *Academy of Management Annals*, 8(1), 127–179.
- [13] Nair, M. S., and Salleh, R. (2015). Linking performance appraisal justice, trust, and employee engagement: A conceptual framework. *SAGE Open*, 5(3), 1–11.
- [14] Rao, T. V. (2016). *Performance Management: Toward Organisational Excellence* (2nd ed.). SAGE Publications India.
- [15] Gupta, A. K., and Singh, P. (2020). Performance management practices and organisational effectiveness: Evidence from Indian service sector firms. *Journal of Strategic Human Resource Management*, 9(1), 34–47.