

Research on Performance Management of China's Small and Medium Enterprises Based on Strategic Perspective

Xiu Liu, Shangxin Chang

School of Business Administration, Nanchang Institute of Technology, Nanchang, China

Keywords: Performance Management; China's Small and Medium Enterprises; Strategic Perspective

Abstract: Performance management is an inseparable part of human resource management. In the highly competitive economic society, major enterprises are paying more and more attention, and performance management is playing an increasingly important role. How to establish a prominent performance management system is one of the effective ways to help companies maintain and improve productivity and achieve corporate strategies and goals. Based on the strategic point of view, this paper discusses the problems and solutions of performance management in China in order to provide reference for relevant SMEs in China.

1. Introduction

Performance management plays a central role in human resource management and can play an important role. Performance management is a strategically high management system. It is not only a measurement system, but also can use this measurement system to spread a company's strategy and ensure that performance management is related to corporate strategy, which is of great significance to the overall management of the enterprise.

2. Overview of the theory of performance management

2.1 Performance Management Definition

Performance management is a system and a high-level art. It is not only the result of an assessment, but also a series of processes such as performance planning, coaching, assessment, and feedback of all senior and employee participation in the organization. And should be a circular process, four important links are indispensable, no matter which one is not done well, it will reduce the role of the entire management system. In management practice, these four steps are connected end to end, eventually forming a performance management cycle.

2.2 Definition of strategic performance management

It is a comprehensive analysis of various problems in performance management from a strategic perspective, so that performance management links the overall strategic objectives of the enterprise. Therefore, we must create a harmonious and stable working environment for employees, so that employees can fully exert their own value.

2.3 Theory of performance management

2.3.1 Performance Management KPI Theory

KPIs are shorthand for key performance indicators. The core idea of the KPI method is that the enterprise performance indicator setting must be linked to the enterprise strategy, and the enterprise should evaluate only a few key performance indicators and its strategic objectives that are most closely related. The KPI method is an effective tool for decomposing strategic objectives into operational vision goals and quantitative indicators. In addition, the method starts from the strategic goal of the enterprise and determines the key result areas and key performance indicators of the enterprise through the analysis of the enterprise value chain, and decomposes at different levels

until the three-level key performance indicator system of enterprises, departments and posts is formed.

2.3.2 Performance Management Balanced Scorecard Theory

The Balanced Scorecard is a master of the American management guru Robert Kaplan and David Norton summed up the successful experience of the performance evaluation system proposed by large enterprises, and the strategic management performance evaluation tool is a milestone. It is based on a corporate strategy that combines various measurement methods. It includes financial indicators that complement financial indicators with business metrics such as customer satisfaction, internal processes, learning and growth, reflecting the balance between financial and non-financial measures, the balance between long-term and short-term goals, external and internal goals. Balance, balance of results and processes, balance of management performance and business performance.

2.3.3 Performance Management 360 Degree Feedback Theory

Performance Management 360-degree feedback theory, also known as “360-degree performance feedback” or “all-round evaluation”, means that employees, supervisors, direct reports, colleagues and even customers have a comprehensive perspective to understand individual performance: communication skills, interpersonal relationships Leadership and administrative ability. In this ideal performance evaluation, the assessment can not only get feedback from various angles such as your own superiors, subordinates, colleagues, or even ourselves. From these different feedbacks, we can clearly know our shortcomings, strengths and Development needs, so that future career development will be smoother.

3. The problem of the performance management of China's SMEs based on the strategic perspective

3.1 The design of performance appraisal indicators is not scientific

3.1.1 The assessment index is not specific

Quantification as an important feature of scientific management deserves our attention, and we must also study the quantification of performance evaluation indicators as a key point of performance management. Whether the quantification of the assessment indicators is specific and reasonable has a great impact on the assessment results, which not only fully reflects whether the assessment is fair and open, but also reflects whether the employees' work is sufficiently positive and loyal.

3.1.2 The weight distribution of indicators is unreasonable

In the performance appraisal, the company should be based on the weight of the post design evaluation index system, and the weight of the indicators is different, in order to reflect the focus of the job, the assessment focus and the guidance of the indicators. Obviously, the job responsibilities of each position are different, and there should be a difference in the weight of the assessment indicators. The distribution of weights can reflect the focus of the job, further determine the orientation of the work, and make the enterprise develop in an orderly manner toward the established goals.

3.2 Subjectivity of performance appraisal

For managers, performance appraisal is often a tricky job, because it involves the sensitive interests of employees, and it is easy to deal with employees' emotional dissatisfaction, reduce their enthusiasm for work, and even have more serious consequences - -Causing conflicts between employees. The implementation of performance appraisal is often accompanied by unfair phenomena. Equity has always been a concern of people. The fairness of appraisal is very important in enterprises. For example, unfair performance appraisal can lead to employee turnover and low satisfaction. Inefficiency, etc.

3.3 Ignoring performance communication

3.3.1 Employees are not involved in performance planning

When the performance plan is set, the first point of focus is whether it is simple and effective, and easy to implement. Secondly, in the setting process, we should not only consider the opinions of the management. The employees should participate appropriately and communicate with each other through the upper and lower levels. Satisfy the company's overall performance plan.

3.3.2 Lack of counseling in the performance evaluation process

After the performance plan is completed, it must be implemented. During the implementation process, employees may encounter various problems. At this time, the superiors should actively communicate with the employees, find their problems and counsel them to solve them, and better complete the set. work goals.

3.3.3 The performance feedback mechanism is not perfect enough

The feedback link is to test whether the performance management work is reasonable and effective. The performance feedback is not only to inform the results, but also to conduct feedback interviews, so that employees can specifically understand their performance and behavioral attitudes in this performance cycle, which aspects are excellent, which There are still shortcomings in the block. Through a face-to-face communication, the employees' awareness of the self is clearer and clearer, and the management parties can unify the final results. In addition, the two sides also need to discuss the existing problems and find The key points of the problem and how to improve it, it is unreasonable to find out whether it is the problem of the implementation process or the setting of the plan itself. In the end, the organization's expectations of employees and employees' responsibility for the company form a performance agreement and promote the healthy development of the organization.

3.4 The results of performance evaluation are not comprehensive

Whether performance management is successful or not, the application of performance appraisal results is also one of the important reasons. When applied properly, employees can be mobilized and their enthusiasm can be involved. Managers' attention to performance will also be improved. If used improperly, it will be counterproductive. As an effective management work, performance appraisal is a process rather than an end. Ultimately, the results should be applied and linked to human resource management decisions.

4. The countermeasures to improve the performance management of Chinese enterprises based on the strategic perspective

4.1 Design standards and scientific performance evaluation indicators

4.1.1 Clearly quantify performance appraisal indicators

In addition to their own work, the company's grassroots management personnel also need to coordinate and manage their own department staff and cooperate with the instructions of the superior leaders. The company's assessment cycle is monthly, and the performance appraisal work is slightly frequent. Then, in order to better perform performance appraisal, the appraisal system should be simple and easy to operate. Quantitative indicators give a specific amount of standards, qualitative indicators should also be clearly stated, so that the assesses can see the tasks of the indicators at a glance, so that they have a good idea, so that when the appraisers judge, they will be seated, so that it is beneficial. Assessment, easy to operate, and test the true level.

4.1.2 Reasonably assign the weight of performance appraisal indicators

The weight of performance appraisal indicators is related to the effectiveness of the appraisal and the credibility of the appraisal results. The performance appraisal management department shall

reasonably allocate the proportion of the weight of the indicators in the performance appraisal according to the principle of improving fairness, reducing arbitrariness and enhancing balance.

4.2 Improve the fairness of performance appraisal

When conducting performance appraisal, enterprises should adhere to the development of the enterprise and take the customer's actual needs as the guide, and strive to complete the company's mission objectives. The results of performance appraisal are a reliable reference for enterprise decision-making. In the assessment process, the assessment subject should be based on the principle of authenticity, adhere to the bottom line of facts, avoid subjective emotional elements, effectively reflect the work of employees, make the assessment work fair and open, prevent black-box operations, and make the assessment results more objective. Fairness, in this way, can also increase the participation of all employees.

4.3 Pay attention to performance communication within the organization

4.3.1 Improve employee engagement in performance planning

When developing a performance plan, the company must let employees actively participate in it, and ultimately set the performance goals that everyone agrees through communication. Only in this way can we avoid the limitations of unilateral decision-making, so that the assessees can be aware of their work and clarify their work direction.

4.3.2 Strengthen supervision and guidance of the performance implementation process

When the performance goal is in the implementation process, the manager needs to grasp the ability of the employee, find out the space that the employee can improve, and understand the psychological expectation of the employee to work, and play a role in boosting the overall performance of the enterprise. In the initial stage of performance implementation, the supervisor needs to tell the staff how to do things and improve the efficiency and ability of the work, rather than the specific implementation details, the need to teach them work ideas, indicate the direction, rather than the more things to do, to give people It is better to fish than to fish. In the process of performance implementation, the superiors should have a supervisory mechanism for the work of the employees under the department, understand their task completion and problems encountered in the process, guide the problem-solving methods and techniques, and make them actively develop their abilities. Thereby achieving a multiplier effect.

4.3.3 Improve performance feedback mechanism

Performance feedback refers to the interviews conducted by the two parties on the assessment results. In the process of communication, the manager must not only affirm the existing achievements of the employees, but also point out the deficiencies, so that the two sides can reach a consensus and jointly explore Where the problem lies and how to solve the improvement.

4.4 Expanding the scope of use of performance evaluation results

The ultimate goal of performance appraisal is to improve overall performance. Therefore, it should not be applied only to the distribution of remuneration, but should be applied to more management decisions and fully play its role. In this way, employees' enthusiasm for work can be stimulated. Promote the common development of the company and the individual. The results of the assessment should be applied to these aspects: First, it should be applied to personnel promotions such as promotion. Second, it is applied to employee training and precise positioning of training. In addition, after the training, the employees are again assessed to verify the effectiveness of the training.

In short, a good performance management should be based on a strategic perspective and the company's own strategy. Through the establishment of the company's own strategy, the company's performance and other aspects are comprehensively evaluated, and the results of the performance are applied to the company's business management activities, thereby fully stimulating the employees' own performance, thereby achieving the corporate strategy and related goals.

References

- [1] Sun Liancai. Human Resources from a Strategic Perspective [M]. Beijing: Tsinghua University Press, 2015.
- [2] Wang Junli. Strengthening Performance Management--Improving the Level of Human Resource Management [J]. Friends of Science, 2016(4)..
- [3] Liang Xinbo. On how to do a good job in performance management [J].Sci-Tech Information Development & Economy, 2015(29).
- [4] Shi Yanrong. The essence of performance management concept [J]. Forum, 2013 (12).
- [5] ZHAO Min, WANG Linlin.Study on problems and countermeasures in performance management [J]. Knowledge Economy, 2014(18).
- [6] Zhang Yuying. Discussion on the problems and countermeasures in the performance appraisal of Chinese enterprises [J]. Enterprise Vitality, 2015 (16).
- [7] Wu Hongmei. Problems and Countermeasures in Enterprise Performance Management in China [J]. Enterprise Management, 2015(8).
- [8] Ke Wenjin, Ma Shicheng. Comment on the Top Ten Misunderstandings of Enterprise Performance Management in China[J]. Reform and Strategy, 2015(7)