

# Talking about the Employee Performance Appraisal System

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**Abstract:** With the development of economic globalization and integration, enterprises should survive and develop in the fierce market competition environment, need to enhance their own competitive ability, and human resources is the fundamental and key of enterprise competitiveness. In order to achieve the objectives of enterprise organization, we need to establish a sound performance appraisal system for employees and departments, and with effective incentive mechanism to fully mobilize the enthusiasm of the staff and create potential to continuously improve the performance level. The traditional staff performance appraisal method cannot meet the needs of modern enterprises, the establishment of a basic sound, with enterprise characteristics, to a full range of staff performance appraisal method as the core of the performance management system, from different levels of personnel to collect evaluation information, multi-angle, the whole perspective of the staff to conduct a comprehensive performance appraisal, comprehensively enhance the level of human resources management. This paper mainly elaborates how the enterprises implement the performance appraisal, the performance to achieve the effect and properly handle the enterprise and the staff assessment and assessment of the relationship between the performance appraisal for the enterprise staff put forward some ideas and suggestions.

**Keywords:** performance appraisal; incentive mechanism; salary system

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## 1. Introduction

For enterprises, human resources are the fundamental and key to competitiveness. Enterprise assessment is a social phenomenon, in the crowd where the activities, there will be some form of assessment and evaluation. For such a social economic organization, in order to achieve business goals, we need to establish and improve the enterprise performance appraisal system. There is a measure to be able to manage, through the establishment of a systematic assessment system, not only a comprehensive, objective and scientific assessment of enterprises in the assessment of the overall goal of the enterprise to achieve the degree of contribution, and with a reasonable incentive mechanism can effectively mobilize the individual and the organization's enthusiasm and long-term potential, continue to improve its performance level, and promote the improvement of enterprise work L. Xiao and the completion of diversified goals. The important role of performance appraisal has been recognized by more and more enterprises, many domestic enterprises have been through various means in the enterprise began to introduce the concept of performance management, the establishment of performance management system, the implementation of performance management and measurement, performance management with the same other business management system linked. Some of the performance management of enterprises prayed for a certain effect, but there are still many problems in the process of writing corporate performance management. Enterprises to survive to develop, it is inseparable from the hard work of all staff, but also need all the staff long-lasting enthusiasm, to do this, companies must establish a fair and just value evaluation system and objective and impartial performance appraisal system.

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In this evaluation system, each employee's self-worth and work performance in order to obtain a correct and fair measure, so as to obtain a fair and reasonable incentives. Enterprises only to carry out systematic and institutionalized performance appraisal, in order to fully understand the potential of employees, found that the organization's problems, close management and enterprise employees to eliminate negative factors, which is conducive to the organization and implementation of effective management. Through the performance appraisal, the correct handling and improvement of business owners, operators and workers between the three relations, properly resolve labor disputes, to ensure that all parties within the enterprise to maintain harmonious relations. Enterprises to develop scientific and rational human resources planning and to determine the promotion, job rotation, rewards and punishments and training incentives to create a favorable business development and personal growth of employees, so that self-joint venture in the process of achieving organizational goals in the process of sublimation, to achieve Internal atmosphere. Staff performance is the core of the enterprise performance appraisal system, but also the basis of organizational performance appraisal, employee performance appraisal is directly related to the staff's work behavior, work status, work effect, determines the organizational performance evaluation Whether healthy development. Therefore, it is of great practical significance to study the performance appraisal and incentive mechanism id of enterprises.

At present, many enterprises gradually realize the importance of enterprise performance appraisal work, and carried out a large number of tentative work. However, the enterprise performance appraisal is also a difficult and responsible work, most of our enterprises, especially small and medium enterprises performance appraisal work is still in its infancy, corporate performance appraisal base is still in the exploratory period. In the enterprise performance appraisal work, especially in the assessment technology and methods and the quality of the assessment there are still many deficiencies. There are still many problems to be solved in the aspects of the determination of performance evaluation criteria, the construction of evaluation index system and the integration of results from different sources.

## **2. Let employees participate in the development of assessment programs**

Gas can be drum, not vent. Good assessment program is to inspire the silent war drums. Rather than the whip over the head. So what is a good performance appraisal?

Good performance assessment is always human, is reasonable, reasonable, legitimate, is the principle and flexibility combined, it gives the staff the feeling is warm as spring, the achievements of self-value, rather than the cold numbers.

How to develop a good performance appraisal program? Experience is: take the mass line. Good performance appraisal program must be the implementation of the program, that is, the people who have been actively involved in the assessment of the results, rather than the leadership or the relevant management of the imagination, behind closed doors. And the reality of the bureaucratic performance appraisal can be seen everywhere. In fact, the process of soliciting employees is also a process of propaganda and mobilization, which will inevitably lead employees to turn their leadership programs into their own programs. Because the staff involved in the development of the program, will naturally understand and accept the program, but also will naturally go all out for the implementation of the program

## **3. From the results to process**

The result-oriented transition to process-oriented involves two aspects:

### **3.1 Strategic-oriented transformation**

Many companies are accustomed to this approach: on the one hand, the performance appraisal is only financial indicators; the other hand, they continue to require sales staff to focus on the construction of the basic work of the market. This time the company CEOs will find themselves in a very awkward situation: the performance of sales staff a slight decline, they will be anxious, high raised the whip of criticism; and once the sales staff are busy with the pressure to meet the sales targets, will find market base

As a laissez-faire state. This is the pain of many business executives heart pain. Performance appraisal is closely

related to the strategic direction and planning of the enterprise. It can be said that corporate strategy to be properly and effectively implemented, must be guided by performance appraisal; in turn, if the performance appraisal to play a role, we must fully reflect the requirements of strategic planning. Specifically, this association is manifested in two aspects:

### **3.1.1. Policy-oriented**

Enterprises in the performance appraisal, the assessment indicators must be included in the enterprise for the sales staff of the relevant policies, including: pay policy, incentive policies, performance policies, distribution policies, etc., to allow sales staff to clearly understand the general principles of the enterprise and policy. If companies want to rely on the introduction of new products to enhance performance, then it must be new product promotion into the company's performance appraisal policy; and enterprises if you want to stabilize the market price system to improve the dealer's enthusiasm and sales performance, then you must Price management into the performance appraisal policy. The other is no, no policy guidance, light shouting slogans are useless.

### **3.1.2 Resource support**

Policy-oriented to be transformed into a real resource investment, or performance appraisal is also easy to flow in a form. For example, enterprises in the sales policy set up the product distribution rate of assessment indicators. But if there is no increase in the regional market sales staff and distribution costs, or did not provide subsidies for the dealer subsidies, then the assessment is equal to the white set. Let the horse run and the horse does not eat grass is not feasible.

## **3.2 To the level of conversion**

Enterprises in different levels of sales staff, bear the performance of the responsibility aspects of the responsibility and scope of the assessment is different, the more senior positions assume the performance appraisal indicators tend to the final result, the lower the level of job performance indicators are more tend to process. Such as the general manager of the assessment sales manager, may be the main sales target; but the sales manager assessment of regional managers and sales representatives. In addition to sales targets, but also must assess the new product promotion, product distribution rate, flow of goods and customer relationship and other process indicators.

The problem is that, regardless of the level of work and the nature and scope of responsibility, all the final results as a test indicator, the surface appears to be on the assessment of the indicators were decomposed, but this form has ignored the performance appraisal indicators on Targeting for different positions. The more the upper level of the job tend to the final results of the assessment. Because only they have the ability to use a variety of resources to influence the results. But they cannot directly control the first-line operation process; the lower the position of the more inclined to the process of assessment, because they use resources in the lack of influence, but only through the actual operation to control the operation of the business process. Therefore, the performance appraisal indicators must reflect the different levels of the relevance and effectiveness of the role, the role cannot be dislocation.

In addition, the level of performance appraisal is also reflected in the upper and lower consistency of the assessment policy. In order to ensure that certain key business can be implemented in place, some of the process indicators of the assessment policy can run through the upper and lower levels, so that some supervisors do not attach importance to the cause of subordinate sales personnel are difficult to implement effectively. Assuming the enterprise for the sales representative of the assessment policy is to improve the product distribution rate, and if the regional manager for the distribution rate is not the assessment, then the regional manager is likely to disguise the work, the results can be imagined.

Two farmers, one in the barren land on the fine cultivation is very little harvest, a fertile land sprinkled with a seed on the matter but the harvest is rich. How do you reward The real performance is to exclude the market base and non-human resources after the investment is really determined by the marketing people's wisdom and effort to make the results of the sale?

## **4. From the performance appraisal rose to performance management**

Performance management is based on agreement between employees and their assessors (not just direct supervisors). To implement a two-way interactive communication process. And performance appraisal is different, performance appraisal is the result of ex post assessment work, and performance management is for employees, multiple dimensions, prior planning. Things in the management, after the assessment process. To complete this progress requires three innovations:

#### **4.1 Assessment of the target close to the market, the evaluation of more scientific indicators**

Embodied in three aspects

##### **4.1.1 Assessment object**

Requirements in the staff of individuals, marketing team at two levels of assessment. The well-known international companies have proved that the assessment of the marketing team to improve the overall marketing performance. For this issue, Mr. QY. Gao, global vice president and president of greater china (former Microsoft China president), has listed an example of the image: In the golf tournament, the contestants are hostile to everyone else, always think of ways to create trouble for each other in exchange for their own victory, so that all the combined results will not be very good together. But if for a rule, everyone is in the previous team on the basis of the best results hit the ball to the team's performance as their final results, the results are quite different. The second way the total score will be significantly higher than the first way.

##### **4.1.2 Assessment objectives**

Emphasize closer to the market. There are two meanings, one from bottom to top, performance management to promote market information collection; the second is from top to bottom, performance evaluation pays more attention to the traction of the market work. Enterprises because of their market position. Resource conditions, life cycle, strategic planning and so on. The requirements of the market work are not the same. This requires performance management as a lever to guide the behavior of employees.

For example, when the company is in the market leader position, the product is mature, the internal resources are relatively rich, plans to enter the new development field, the company's market goal is to stabilize the sales of Taurus products (to obtain a stable cash flow), control the market costs to ensure a stable source of profits. In this case, the performance appraisal is based on sales maintenance and cost savings as the primary goal, to guide the market staff to deepen customer relationship management, including customer files, channel resources, cleaning and maintenance. At this time, based on the behavior of the assessment process is very necessary.

##### **4.1.3 Assessment indicators**

Correspondence with the assessment object and assessment objectives, performance management under the assessment is divided into the team (department) and the market staff personal assessment. For the evaluation of the team can be used to become the mainstream of the current mainstream scorecard; for individuals mainly in the market performance, market work and personal ability of the three aspects of the rich and deepening.

Market performance includes planned completion rate, sales repayment rate, market share, terminal coverage, new product promotion, sales expense rate, etc. .; market work mainly from market information collection, market planning forecast, market work report, customer service, market Behavior and other aspects to examine the individual comprehensive quality of the combination of qualitative and quantitative methods, the sales staff's intelligence, ability, loyalty and other assessment and evaluation, including education, professional background, age, work experience, plus or minus Incentive records, training and learning records, special skills, work attitude and ability to work in several aspects to evaluate.

#### **4.2 Process management throughout, the evaluation system is comprehensive and diverse**

Performance management processes include performance planning, performance communication, data collection

and analysis of issues, performance appraisal and evaluation, pay management, employee satisfaction and positivity evaluation, personnel decision making and adjustment. The whole process follows the PACD cycle rule to continually improve performance. Performance plan. This is the starting point for the performance management process. The main content is to carry out job analysis, job analysis, personnel qualification analysis, and accordingly determine the staff during the assessment period of the work objectives, work content, work standards, job responsibilities and power. Usually can be summarized as SMART principle, that is, the target to be specific (specific). Measurable, attainable, relevant, time-based five criteria.

#### **4.2.1 Performance communication**

Referring to both sides to track progress, find obstacles to performance and get the information needed to make the two sides successful. People who work in foreign companies generally have the experience of communicating with the assessment leader.

#### **4.2.2 Collect the data and analyze the problem**

The actual performance of staff records, and try to do graphics, routine and information technology. On the one hand to provide a basis for the evaluation of the back, to promote the routineization of counseling and feedback, to avoid the performance evaluation of the head; the other hand, the performance of the record itself is a powerful driving force. China has a saying 'not afraid of the tube, afraid of count', performance records is also a count of effort.

Performance appraisal and evaluation

In the process of performance management, evaluation is a continuous process, and performance evaluation is based on the assessment method and standards set by the formal evaluation. In view of the performance results generally take a long time to reflect, and the performance evaluation level of sensitivity, more and more enterprises tend to six months or one-year assessment once. Performance evaluation generally uses multidimensional methods, namely 360 degree scoring method. According to the latest survey, in the 'fortune' discharged from the world's 1000 large companies, more than 90% of the company in the staff career development and performance appraisal process are applied this method, that is, marketing staff of the higher level, the same level, subordinates and services of the customers have to participate in the assessment, and each level of assessment are a number of, the assessment results take the average. From a statistical point of view, the results are more objective and fair, and can reduce personal bias and score errors.

Through the work of the previous stages can be found, performance management work which achievements, what advantages need to continue to maintain and carry forward, what deficiencies and mistakes need to be improved, to conduct a serious summary and analysis. To revise the existing policies, to adjust the work of the staff in order to benefit the staff's physical and mental health, improve employee satisfaction, and thus improve the performance of employees.

#### **4.3 Incentives should focus on the combination**

From the successful experience of foreign enterprises, there are many factors in the combination of incentive tools in performance management, such as target incentive, example incentive, training incentive, work incentive, authorization incentive, democratic incentive, environmental incentive, material incentive, spiritual incentive, competition incentives, etc., and for competition, achievement, self-appreciation, service-oriented, problem-based, star type, aging type of sales staff to carry out different combinations of incentives.

Marketing staff have a high achievement in the career development stage, with particular emphasis on the opportunities for progress and development, so it is important to motivate money and additional benefits (but status, identity and internal job satisfaction are equally important). Marketing staff at the stage of sustainable development is of the greatest value to the company, but it is likely that performance will begin to decline, with incentives for job security, job enrichment and status improvement. Marketing backbone is often such a lack of incentives do not do well. The marketing staff at the recession stage has been mentally prepared for retirement, despite having enough knowledge to

complete the task, but may have lost interest in the job and performance has begun to decline. What the company can do is give them some reasons for continued work and loyalty, arrange some special items or problems for them to take full advantage of their knowledge and skills.

Motivation is a system that is not only linked to wages and bonuses, but rewarding excellent employees is much easier than dealing with poorly performing employees. To maintain and develop the competitiveness of enterprises. It may be more important to effectively manage poorly performing employees. If a strict ABC management law is imposed, 10% of the staff must be classified as category C, who will be demoted or eliminated. In Haier, the staff will be divided into three categories: excellent, qualified and tried, and the ratio of the three employees will be kept at 4: 5: 1. The trial staff must try to improve their performance, otherwise they will be eliminated. There are some companies using the end of the system. These practices are the cruelty of market competition in the enterprise internal reflection, managers only face up to the management of poor performance of the staff in order to make the performance management system to work properly.

## **5. Some problems in the process of enterprise operation**

Although some companies spend a lot of manpower, financial resources and time to carry out this work, but the effect is not ideal, or even counterproductive, so the implementation process should pay attention to the following questions:

### **5.1 To reflect the evaluation of the personalized features**

As the staff of the job, business content, skills, responsibilities, the scope of the impact of different, so the staff of all aspects of the requirements and standards are also quite different, which requires the design of assessment indicators to fully reflect these differences, so that it has a personalized, not across the board such as the management of the upper management, decision-making ability, the ability to control the overall situation, appeal, system management capabilities, employment and training of people's ability to be the key assessment points; and for grass-roots executives, planning and operational skills, business promotion efforts, on-site management capacity is the main evaluation point.

### **5.2 To distinguish the importance of evaluation points**

For the same assessment of the importance of the assessment points to be given the difference, if necessary, increase the weight to quantify the indicators, said the management of the examinations of a certain quality or ability of the special requirements. Such as the market manager of the enterprise, the market planning and development ability, interpersonal and public relations ability and negotiation, communication and coordination ability must be excellent degree, therefore, the design of the questionnaire can be a few of these grades Get higher.

### **5.3 To make the evaluation point is evaluable**

As the Omni-directional assessment method for the comprehensive quality of staff at all levels of assessment and evaluation of the majority of qualitative indicators, so the contents of the indicators to be clear, can be evaluated, to measure.

### **5.4 The results of the application**

The evaluation results provide a good work evaluation and improvement proposal for the appraisers, from which we can clearly see the advantages and disadvantages of the appraisers. If there is any objection to the result of the evaluation, the relevant situation may be further understood by the human resources professional in the form of a collective or individual interview, and then feedback to the subject according to the survey results. Its purpose is to help the examiner to identify the lack of analysis of the reasons for the future work to improve and improve.

The results of the assessment should be applied to the development of training and personnel deployment, such as lack of knowledge of the skills, we must carry out training to improve; in a particular job to show the shortcomings or deficiencies of the examiner, if the exchange of jobs, may just play his advantages or strengths. Therefore, from

the 'people who have their people, people apply for their posts, make the best use of their best use,' the principle of departure, for such a reviewer, human resources departments can take the job rotation, to adjust it to play more extra-long job.

## 6. Conclusions

The ultimate goal of performance management is to fully develop and leverage the resources of each employee to improve organizational performance by improving employee performance to improve organizational performance.

Performance plans are managers and employees to discuss the work to determine the staff during the assessment should be what work and to achieve what kind of performance process. As a staff performance planning stage managers and employees should be fully communicated, in order to achieve the organization's business plan and management objectives, employees should be done during the assessment period and what should be done, that is, the performance of employees' objectives, agreed to the success of staff standards.

In the development of performance standards, we must pay attention to communication with the staff. The traditional way from top to bottom to convey the task, more to reflect the control of the role of staff. In the performance management cycle, the performance objectives must be fully communicated by the managers and employees, the two sides together to determine and complete.

Performance management is a long and complex task that requires a high degree of data collection as a basis for evaluation. The application of the results of performance appraisal to human resources planning, recruitment, selection, salary, promotion, deployment, dismissal and other specific work to help enterprises make the right human resource management decision-making; applied to human resources development, can provide staff The advantages and disadvantages of information to help employees in the existing positions to create better performance, to strengthen the staff of targeted training for the staff career and career design to provide advice.

In general, performance appraisal refers to the process of collecting, analyzing, evaluating and evaluating the performance of the organization's organization based on the established standards and the performance of the work performance and work results of the personnel in the workplace. Performance appraisal is the internal management activities of enterprises, is the implementation of business strategy in the enterprise, the process of human resources management, according to job requirements, the actual contribution to the staff to evaluate the activities, emphasizing each person, the particularity of each post. From the implementation results, it contains the management of people, supervision, guidance, education, motivation and help and other functions.

In short, to really implement the performance appraisal, enterprises in the system design and organization of the implementation process, we must have a systematic vision and thinking, but also dare to take the pace in the implementation of performance appraisal process in time to promote the organization of the change forward, the company into a modern concept of consciousness, behavior patterns and capacity structure of the growth of enterprises.

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