

## Research On Countermeasures Of Human Resource Management Performance Appraisal In Small And Medium-Sized Enterprises -- Taking Z Company As An Example

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**Abstract:** With the rapid development of economy, the competitiveness of the market has become more and more fierce. Especially after China's accession to the WTO, in the face of the competitive pressure of domestic and foreign markets, small and medium-sized enterprises must choose the road of enterprise management if they want to establish a foothold in the market and develop. In fact, in the final analysis, the competition between enterprises is the competition for talents. They use human resources to gain competitive advantages, which has been appreciated by both managers and scholars. Therefore, "performance appraisal", the core issue of human resources, is not valued by enterprises. However, there are still many problems in the implementation of performance appraisal in small and medium-sized enterprises. Finally, the reason why the performance appraisal effect is not great is that the evaluation index system of performance is not perfect and the implementation process of the performance appraisal system is not clear. Based on this background, this paper studies the performance appraisal system of small and medium-sized enterprises.

This paper first describes the theoretical basis of performance appraisal, including the definition and principles of performance appraisal. This paper gives A brief introduction of company A and A comprehensive summary of the assessment methods and practical application of the assessment. Can be found in the inspection application from A still exist many problems, in this paper, A enterprise human resource performance appraisal are summarized, the problems of and according to the problems on the basis of comprehensive analysis of the research put forward the related countermeasures, set up A new evaluation system, improve the effect of enterprise in the practical application of performance appraisal.

The meaning included in the performance appraisal is a scientific and standardized method for reference. It is an effective management method to retrieve and judge the degree of implementation of the responsibilities that the company's employees should undertake for their positions, and then determine the actual performance of the employees. Its fundamental significance is to judge people or events, mainly including two meanings: one is the comprehensive assessment of employees and the actual situation of their work; the other is the evaluation of employees' work efficiency, that is, the value or contribution of people in the organization. The effective use of human resource management cannot be separated from the support of scientific performance appraisal system, because it plays a very important role in human resource management. For example, it helps to provide indicators for the decision-making and salary management of the personnel department, improves the competitiveness of enterprises in the market, and is conducive to the sound development of employees.

Small and medium-sized enterprises occupy a very important position in China, its sustained and stable development is conducive to reducing the number of unemployed and conducive to social stability, so small and medium-sized enterprises have become an important guarantee for the sustained and stable growth of China's national economy. Along with this, more and more research has been done on the management practice of small and medium-sized enterprises. Small and medium-sized enterprises must have a scientific and comprehensive performance management system to ensure the rapid development. At present, the performance management ability of smes in China is generally low, so it is necessary to build a more perfect performance management system to improve the comprehensive operation rate of enterprises, which will also be conducive to the

improvement of the comprehensive competitiveness of smes in China.

## **1. Status Of Human Resource Performance Appraisal In Z Company**

### **1.1 Introduction of Z Company**

Z Company is a registered capital of 50 million yuan, specializing in the operation of tungsten, molybdenum, vanadium, tantalum, niobium, rhenium, titanium, zirconium, hafnium and other rare refractory metals and iron alloy burden metal trading enterprises, the company's business purposes: market-oriented, human-oriented, quality for survival, to reputation for development. Company accumulated many years of experience in domestic and international trade, the establishment of a mature business operation mechanism and excellent market reputation, in strict accordance with international trade rules in the foreign trade, abide by equality and mutual benefit, quality service, reputation, on the purpose to carry out import and export trade activities, with many well-known domestic and foreign merchants established a long-term and stable business relations. Domestic customers all over the country, with many domestic steel enterprises and high temperature alloy enterprises to establish a good relationship of cooperation, stable quality, timely and accurate supply is Z Company's commitment to customers. Compared with the similar company Z company's organizational structure and no special, the top is the shareholders' committee and the board of directors, general manager responsible for the company's day-to-day operations, has offices, under the comprehensive management department, purchasing department, domestic trade, international trade, finance and other five level department, office administration and human resources, management department consists of three departments such as the storage and transportation department, customer service department. At present, Z company in the domestic business scope has been involved in various important provinces and cities, has the huge market potential, sales increased year by year, the company also set up by the initial number of a few people to hundreds of people, already began to implement the strategic thought of scale development in an all-round way, ready to have been in sales for a certain market foundation, the market prospect is very bullish on each important provinces and regions set up offices or branches.

### **1.2 Human Resource Performance Appraisal Method of Z Company**

At the beginning of the establishment of Z company, only a few sales and part-time procurement personnel, a few internal part-time financial personnel plus the boss. After years of development, the number of employees has gradually increased, but the company's organizational structure is relatively simple, and there is no written performance appraisal system, the company only USES a simple ranking method to complete the employee performance appraisal, that is, the employees in the department are ranked according to the performance of a certain evaluation factor. From the best performers to the worst performers. It's a little bit simpler and a little bit easier to understand. At the beginning of each month at the end of the general manager on the basis of his observation of the performance of each employee in the month and the usual impression of each employee to determine the monthly salary of each employee. The annual bonus is also based on the general manager's general impression of each employee combined with the employee's position and salary level to determine the amount of payment.

With the further development of the company's business, the company continues to expand personnel every year, the company's constituent departments are gradually increased, more and more functions, the division of labor of employees is increasingly clear and refined. The general manager found that he did not have the energy to manage all the affairs, nor could he fully grasp the working conditions of every employee. It was increasingly difficult to determine the monthly salary, and employees began to complain that the increase or decrease of salary was only based on the impression of the boss, and there was no clear basis for assessment. Under such circumstances, Z company began to try to establish an appropriate performance appraisal system, through which it could grasp the work conditions of employees and reflect the evaluation results in the salary of employees.

### **1.3 The Application Of Human Resource Performance Appraisal In Z Company**

When formulating and applying the assessment system, enterprise Z refers to the actual situation of net profit and payment collection generated by employees in the sales department, as well as the objectives of cost control. The contents designed to assess employees in other positions include: mastery of working knowledge, ability to work, enthusiasm to participate in work, late arrival and early leave, compliance with corporate arrangements, ability to cooperate, etc. Then, the managers of all departments shall conduct comprehensive evaluation according to the assessment standards and combined with the actual performance of employees. Finally, the general manager shall conduct information integration and judge the performance of employees.

The salary of employees in Z Company is linked to the performance appraisal. The purpose is to motivate employees to work. The salary component of employees in Z Company includes performance salary and basic salary. There are some defects in the performance appraisal system implemented by Z Company. The grading of managers in each department fluctuates too much. Some managers believe that the evaluation index does not represent the actual work efficiency of employees. On the contrary, employees will be dissatisfied with the managers with low scores. They think that such managers only score according to their own subjective consciousness, and employees who have conflicts with managers will suffer a lot. Managers cannot be fair and impartial, and employees will refuse to accept the results of performance appraisal. The general manager and the department manager's opinion on this issue is that the performance appraisal is only a way to evaluate the employee's work. In order to reduce employees' dissatisfaction with performance appraisal and take the above issues into consideration, it is finally decided that only the general manager and managers of each department shall know the appraisal results and keep them private. At the very beginning, the implementation of this system caused great repercussions, and the employees also had a big criticism on it. They believed that such operation was not transparent, and they were suspicious of the assessment results, which would even lead to a gap between the department managers and employees. Some employees pointed out that it was not convenient for them to calculate their performance salary because they did not publish the assessment results. They could not clearly grasp their performance assessment results, could not find out the problems in work, and could not timely correct the mistakes, which was not conducive to improving their work efficiency.

## **2. Problems Existing In Human Resource Performance Appraisal Of Z Company**

### **2.1 The concept of human resource performance appraisal is backward**

Performance appraisal of Z Company only pays attention to the results and not the process of appraisal. Based on the results of performance appraisal, unqualified employees can be judged as appropriate and can be punished by punishment or even dismissal. Reward or promote outstanding employees. It can be seen from this that Z Company has a biased understanding of performance appraisal. The purpose of performance appraisal is not only to judge the work efficiency of employees, but also to improve the overall benefits of the enterprise and the personal benefits of employees. The ultimate purpose is to achieve the target requirements at the strategic level of the enterprise. Performance appraisal is not a simple compare each employee assessment results between high and low, but to extract effective information in order to promote the development of their employees, assessed and be assessed the relationship between the two shouldn't be in the form of opposition, both should be helping each other make progress together, prompting the goal, to benefit both sides. In the construction process of corporate culture, performance appraisal is also a very important content. To establish performance-based corporate culture, an enterprise needs to have a scientific, reasonable, fair and just performance appraisal system to support it, which is conducive to creating a harmonious working atmosphere for the enterprise. The performance test of Z enterprise pays too much attention to short-term interests, which leads to short-term behaviors of enterprise management managers and employees. Some employees will do anything to get high scores in the assessment, exacerbating the bad competition among employees, which is not

conducive to the improvement of overall performance. This kind of assessment, which emphasizes results over process, cannot give employees clear information about performance improvement. Therefore, it is necessary to construct a performance appraisal system that combines the long-term and short-term strategic goals of the enterprise, and realize the performance appraisal through the cause and effect relationship between various indicators, and finally implement and complete the strategic goals of the enterprise.

## **2.2 The Company's Human Resource Performance Appraisal System Is Not Perfect**

### **2.2.1 Performance Appraisal Indicators Are Not Standardized**

First, the formalized performance appraisal process. Z company does not have a clear purpose of performance appraisal system, which is just to complete the appraisal task. Employees and managers do not have a correct understanding of performance management. The establishment of the performance appraisal system is a means of enterprise management rather than a goal of management. Although Z company has formulated and improved the performance appraisal system, most employees have a wrong attitude towards it, believing that the performance appraisal is only a matter of form. The real decision is made by the leaders of the company. No matter whether you are qualified or not, as long as the leaders agree with you, you can succeed even if you are not qualified. Managers do not have a comprehensive analysis of the results of performance appraisal, nor do they really make use of the role of performance appraisal to realize the use of appraisal results to help employees get practical development and improvement in various aspects. Second, the performance appraisal standard is not scientific. When Z company formulated the performance appraisal standard, it was only based on sales volume or production quantity, which made the performance of employees too low. The evaluation criteria are not clear, making the evaluation results unreliable; The assessment standard is unrealistic, and the assessment standard is set too high, so it is difficult for employees to reach the assessment standard, and then work blindly, resulting in a decline in work efficiency.

### **2.2.2 Performance Appraisal And Employee Compensation System Do Not Match**

The purpose of the implementation of the performance pay system is to improve the enthusiasm of employees to do more and less. But unreasonable performance pay system will bring many negative effects, mainly produces the following several aspects: (1) the influence of the employee's point of view to analysis, performance pay system is ignored for the cooperation between employees, ability to drop, each person will only pursue their own best interests, plus the amount of incentives the temptation, makes it hard for employees for mutual assistance between atmosphere formation.(2) the formulation of incentive measures should be combined with the results of indicator assessment, and the design of indicator assessment should take into account all aspects. Otherwise, employees will only attach importance to the content of the assessment by their superiors, and they will take an attitude of indifference to the work content that is beneficial to the company but has no connection with the rewards. This will make employees only focus on their own interests and ignore the overall performance of the enterprise.(3) the direct beneficiaries of performance compensation are employees. However, performance appraisal is not fixed and will change with each evaluation index, so the interests of operation work will be directly involved in the process of change and the frequency of conflicts will increase.(4) there is not a close relationship between employees' contribution and performance, which results in low enthusiasm of employees and the objectivity and fairness of the system. In small and medium-sized enterprises, it is difficult to accurately measure the efforts of employees in a position, especially the work completed by teamwork. The performance of employees will be affected by market environment, working environment and other factors that are not controlled by individuals. If the decline of employee performance is caused by external factors, employees will think that the performance compensation system is unreasonable and unscientific.

## **2.3 The Performance Appraisal Department Of Z Company Is Lacking**

The performance appraisal department set up by Z Company is just a decoration with no practical significance. So in Z company each department performance evaluation target is on the basis of the work of the department of custom, the strategic goals of the company there is no matching to each department and each employee, so the current Z between enterprise's strategic goal and performance management is out of the state, play a role of the guide staff performance management is not. Since performance management is a complete pre-event, in-process and post-event control system, it means that the implementation of performance management in Z enterprise is only based on performance appraisal.

In addition, the specific work objectives involved in each department are not related to the overall development strategy of the company. The managers of each department will take their own interests as the core content when formulating the work objectives of their department, and will ignore the overall interests of the company and the cooperation with other departments. Due to the lack of performance appraisal department, the magnitude of the mutual support between departments, each department to complete the department performance appraisal target task, all want to be able to complete schedule as soon as possible, better to complete the task, so it is likely to conflict with other departments, enterprise overall interests will be damaged. Interdepartmental recriminations occasionally occur, making it impossible for the company's overall performance to improve.

#### **2.4 The Company's Performance Appraisal Results Were Not Applied**

In the development process of Z enterprise for a long time, the general manager or the deputy manager has always distributed tasks to employees. As long as employees accept the tasks, they can do so. Therefore, the power is concentrated on the leaders at the level of managers. From the actual operation of Z enterprise, it can be seen that the paternalistic management style is very obvious. Employees are also very accustomed to receiving instructions from their superiors, and they are unwilling to make trouble for themselves. If you have any comments on your work content, goals or assessment results, you are not willing to talk about them in person. Such corporate culture, although the design of the new performance management system, but also increased the staff feedback and complaints of communication channels, but the ideological root of the problem has not been addressed. Therefore, when implemented, the role of this channel has not been played, and employee participation is still very low. During the implementation of the performance management system, company B did not provide a prior guidance and adjustment to the psychological conditions of employees. As a result of the above situation, the company failed to achieve two-way communication results when establishing performance goals, and the same problem occurred in the determination of assessment indicators, performance implementation and feedback of assessment results. As a result, employees will think that performance management is a means for the company to control them, and their enthusiasm to participate in performance management will be greatly reduced, and they will feel rejected from the bottom of their heart. Thus, it is very difficult to achieve good results.

### **3. Countermeasures of Human Resource Performance Appraisal Of Z Company**

#### **3.1 To Improve The Understanding Of Human Resource Performance Appraisal Of Z Company**

Some enterprises have a fear before the performance appraisal, because they are not clear about the concept of performance appraisal, not clear. Therefore, in order to carry out the following work smoothly, we should train leaders and employees in two aspects, with the purpose of improving the quality of leaders themselves, strengthening the understanding of the concept of performance of leaders, and enabling these managers to put the new idea of people-oriented and all-round assessment into work. Let the performance appraisal in the company can become a good atmosphere, so that the concept of modern performance appraisal also to the scientific road. This can not only improve the understanding of employees, but also update the concept of employees, but

also let every employee of the enterprise to understand the real meaning of performance appraisal.

### **3.2 Improve The Hr Performance Appraisal System Of Z Company**

#### **3.2.1 Standardize Performance Appraisal Indicators**

The scientific performance appraisal system is not only able to have a positive appraisal of the performance of employees, but also suitable for the current stage of enterprise development. Performance appraisal plays a key role in performance management, so the establishment of a sound performance appraisal system is also guaranteed for the company. In the process of performance management implementation, we should combine performance appraisal with corporate strategy, refine indicators, and make use of changeable appraisal methods to reflect the results of performance. Enterprises are the center of resource transformation. Both external and internal environments require smes to establish their own performance appraisal system and strengthen and improve management, so that smes can ensure fair and reasonable performance appraisal indicators. The assessment of small and medium-sized enterprises to see the long-term, only the performance assessment and the company's strategic management linked together to play a better role.

#### **3.2.2 We Will Improve The Compensation System For Employees**

In order to establish a people-oriented compensation system, enterprise leaders should conduct a clear analysis of their subordinates, and lead in different ways according to each subordinate's ability and willingness, so as to achieve better results. In compensation, according to the needs of different staff, different compensation system, for low wages of employees, the prize for them is very important, so, want to play a good effect, make the compensation system will be fully aware of their employees, when employees need to help give them help, always inspire them, to let the leadership to maximum effect.

In order to attract more talents, it is necessary to implement the salary system based on people, so as to stand firm in the market competition. Talents play an important role in enterprises. They are valuable strategic resources and the material basis for the survival and development of enterprises. We should also master the theory of compensation system, dare to innovate, and make the compensation system scientific and standardized according to the characteristics of the enterprise. Only in this way can we increase the enthusiasm of employees and make the enterprise develop better.

### **3.3 Establish The Human Resource Performance Appraisal Department Of Z Company**

The human resource management departments of medium-sized enterprises focus on operation and execution, with little strategic work, if any, replaced by external agencies. The functions of the human resources department are divided into four aspects, one is the allocation of personnel, the other is the management of human resources, the third is the basic work of personnel, the fourth is the development of human resources. According to the division of functions of these enterprises, the human resource departments of medium-sized enterprises are all allocated by profession. Generally, they should be allocated to at least three groups. The reason why they are not divided into departments is that human resource departments cannot be specialized. This kind of setting up of big department is helpful to balance the workload of each staff, it is also very fair to the staff. But human resources departments in medium-sized enterprises are looking for experienced, problem solvers.

As for the limited number of personnel in the development stage of a small enterprise, it cannot achieve complete norms and standards in resource management, so it should support the development of the current business and solve the problems of the enterprise. In terms of department management, the administration department and management department shall be combined into one department. In terms of business scale, personnel shall be redistributed according to the required number. For small and medium-sized enterprises, they need cadres who understand people. In terms of professional skills, they need personnel management technology is

not very high, but they require managers who have strong communication skills and practical experience. So the qualifications of the workers are very important to the enterprise. As a result, the business manager is usually a startup team member or experienced person. In order to make the human resources department of the enterprise play an effective role, promote the reform, and can also be able to achieve long-term stable development, the enterprise should customize its own personnel management structure according to its own characteristics, and allocate appropriate talents.

### **3.4 Apply the results of performance appraisal to improve enterprise performance**

The most important means of enterprise incentive mechanism is compensation incentive, which is currently the most useful incentive means for enterprises. It is also easy for managers to control. If it can effectively motivate employees, it is also easy for enterprises and employees to achieve a win-win situation. In today's society, compensation incentive has become an important part of stimulating modern people, and it also plays an incentive role in the competition among various enterprises. For each employee, the compensation is the recognition and affirmation of the enterprise for them, and it is their efforts, which also plays an incentive role for their future work in the enterprise. However, salary incentive is not only the incentive of money, it has become a kind of incentive mechanism of the enterprise, which contains the incentive of employees' achievements and status. It's also one of the motivations for employees to work hard.

Evaluation alone cannot motivate employees. Motivation is a psychological response for employees. On the other hand, the enterprise needs internal and external environment to promote the implementation of this system. The results of performance appraisal affect the changes of employees' positions, salaries and bonuses in the company. Therefore, the enterprise should make the results of performance appraisal fair and just. It's also a way for employees to understand their situation and customize their next goal. There are two kinds of performance appraisal, one is quantitative appraisal, the other is qualitative appraisal. Quantitative appraisal plays a major role in performance appraisal. After the end of the performance appraisal, this quantitative evaluation will be carried out on every employee of the company, and the results of the performance appraisal will be regarded as the future career planning of the employee. To better implement the incentive mechanism in the enterprise.

Performance feedback is to give managers and members customized future plans and performance improvement plans based on their performance in the enterprise. The purpose is to motivate employees to improve their shortcomings and improve their performance. The purpose of performance feedback is to improve the quality and ability of enterprise managers and employees, so as to better ensure the improvement of the overall performance of the company. Enterprises can inform and persuade employees of the results of performance appraisal, and encourage employees to give play to their strengths and correct their weaknesses. Or the company can help the employees to understand the purpose of the assessment. Use this to motivate yourself to improve your performance. Small and medium-sized enterprises should improve the company's performance incentive mechanism, meet the needs of different people, improve the use of performance mechanism. The performance appraisal interview should make employees feel that they can really improve their abilities. Managers should also monitor and give feedback on employee performance. Only in this way can employees better strive for their goals, so we should create a sound performance feedback mechanism. Enabling the organization to see the behavior that employees themselves expect to see.

At present, the global economy and talent competition, high-quality talent flow is getting faster and faster, performance management is becoming more and more important. Performance appraisal is a key method of work efficiency and an important basis for evaluating employees. Whether the performance appraisal method is correct or not is related to whether employees can work actively and decide whether employees can attract a large number of talents. Therefore, enterprises in the performance assessment, must use appropriate methods, set a reasonable standard, yes assessment as open, fair, just, in order to promote the development of enterprises.

This paper studies the problems existing in human resource performance appraisal of small and medium-sized enterprises and gives corresponding Suggestions for these problems. However, due to the development of smes in China, smes have not yet entered the stage of scientific management. Therefore, the results of performance appraisal are not satisfactory, and these problems need to be solved. Performance appraisal plays a very important role in the performance appraisal of small and medium-sized enterprises. Therefore, the establishment of a sound performance appraisal mechanism plays a great role for small and medium-sized enterprises, which can promote the improvement of their performance. After China's entry into WTO, China's economic environment has been greatly improved, and the development of smes has been a once-in-a-century opportunity. So that makes China more and more competitive. Although the construction of human resources has brought the enterprise a competitive advantage and made the enterprise develop rapidly, it still lacks the power of action, arouses the enthusiasm of employees, and constantly improves the existing problems of resource performance appraisal, so as to have a foothold in the market competition.

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