

Employee Performance Appraisal Based on Contingency Theory

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Abstract

Employees are the most important human capital in an enterprise. Evaluation is an effective means to rationally allocate and effectively operate human capital. Based on the theory of contingency, this paper describes the impact of the contingency theory on employee performance appraisal, and applies it to employee performance appraisal, dynamically determines performance appraisal goals, indicators and methods, and establishes a reasonable incentive mechanism for the establishment of enterprises. It is hoped that this paper can help companies establish a suitable performance appraisal system.

Keywords

Performance appraisal; contingency theory; incentive.

1. Introduction

As science and technology continue to advance, new things emerge in an endless stream, everywhere is full of uncertainty, and innovation is becoming a feature of the times. In the face of ever-increasing all-directional competition, if we continue to adhere to the traditional rigid mode of thinking, we will be hampered everywhere. As the most important resource in the enterprise, human resources plays an extremely important role in the development of the company. All kinds of decision-making and execution depend on suitable talents. Therefore, it is very important to absorb, cultivate and retain excellent talents as a core part of enterprise human resource management. Effective performance appraisal is very critical. How to dynamically determine performance assessment targets, indicators and methods in a constantly changing environment, and establish a reasonable incentive mechanism to promote the rapid development of enterprises, aroused the attention of companies and academia.

2. The motivation of performance appraisal

Performance appraisal, as an effective management method, evaluates and encourages employees, strengthens the vitality and competitiveness of enterprises, and enhances the market position of enterprises. It plays an important role and is also an important way to increase the efficiency of enterprises.

Firstly, performance appraisal of employees can supervise the work of employees and ensure the realization of the company's strategic goals. The performance appraisal system can provide management with a system to supervise the performance of its subordinates. Based on this, managers can measure the degree of consistency with the strategic plan. Performance appraisal enables management to recognize and reward employees for their good work performance and motivate them to strive for strategic goals. If you are not dissatisfied with the work of your employees, you can put forward suggestions for improvement and provide help and support to your employees in a timely manner.

Secondly, performance appraisal is an important basis for companies to train and select talents. Through quantitative assessment results of the performance appraisal system, the enterprise can identify the weak performance of the department and should train the key employees of the job to help them improve their performance on the basis of the existing work. At the same time, we can find out that the financial department has a better performance, conduct scientific and standardized management on the employees responsible for this part of the performance, cultivate high-quality talents, help them to realize their potential, and provide opportunities for promotion.

Finally, performance appraisal is a means to mobilize the enthusiasm of employees. Through performance appraisal, the combination of promotion, training, treatment and rewards and punishments of employees can give full play to the role of the incentive system and promote the sustainable development of the company. At the same time, it helps employees to create their own self-motivation mental model and mobilize their enthusiasm for work. Improve job confidence, thereby creating an efficient and positive working atmosphere and achieving the personal value of employees.

3. Summary of Contingency Theory

3.1 Concept of Contingency Theory

Contingency theory is a kind of management thought developed in the early 60s of the 20th century. In the 1970s, a relatively mature management school was formed. Its appearance and development reflect the needs of enterprises to carry out management work under certain background conditions. The meaning of "conversion" is that the expedient is flexible. Contingency theory opposes "universalism" in traditional management theory. It is impossible to find a universal management theory in a complex and ever-changing era. The guiding ideology and management methods of management should take into account factors such as the nature of work, the work environment, and the quality of employees, and adopt different management methods flexibly.

3.2 The Core Content of Contingent Management Theory

The American scholar F. Luthans summarized the contingency management theory. He believes that under certain environmental conditions, companies must adopt corresponding management principles, methods, and techniques in order to achieve the goal better and faster. The core content of the contingency management theory is that the functional relationship between environmental variables and management variables is the contingency relationship. In contingency management, the environment is usually an independent variable, and the concepts and techniques of management are dependent variables. The theory of contingency is based on the organizational view of the system and takes the contingency relationship of the organization as the research object. It emphasizes that management activities should adapt to the environment in which the organization is located and, in a particular environment, adopt management methods that are most suitable for the organization's goals.

4. Impact of Contingency Theory on Performance Evaluation of Employees

Contingency theory reveals the dynamics of management and enables managers to recognize that the functions of management are not always the same. In the past, the behavior of management was understood from a static perspective. This theory makes it possible to manage the dynamics of management. Contingency theory requires managers to adopt appropriate management methods according to the specific conditions within the organization and the external environment they face, and to flexibly deal with various management services, and can effectively achieve their goals.

Employee performance appraisal is the management process of the company to employees. It also needs to introduce the concept of contingency into the employee performance appraisal, and continuously improve the employee performance appraisal process according to the change of the appraisal situation. Employee performance appraisal is placed in the overall operating environment of the enterprise, ie the scale of the enterprise, the life cycle of the enterprise, the industry in which the enterprise is located, the corporate culture, the resources owned by the enterprise and other external environmental factors. It is also closely related to the quality of the employees themselves, such as their own experience, learning ability, hard work, motivation and so on. Managers should consider the impact of the above situation variables on employee performance appraisal, and according to the changes in the above factors, the employee performance appraisal system should be revised accordingly, so as to obtain the true performance level of employees and accurately evaluate the value of employees' contribution to the enterprise. Improve performance assessment.

5. Application of Contingency Theory in Employee Performance Appraisal

5.1 Setting goals

The establishment of goals is based on the establishment of the company's overall strategic goals. Each department and employee then decomposes the overall strategic goals, setting departmental goals and employee goals, respectively, and establishing a target system from the organization to the department to the individual. Because of the different circumstances of each employee, performance goals should clearly reflect the manager's requirements for each employee's performance. Aiming at the actual situation of the employees, the company sets performance targets, proposes practical work directions and goals to employees, and stimulates employees to better realize managers' expectations. The goal setting is not only emphasizing that overly high and unrealistic goals should not be established, but it also emphasizes that it should be able to discover the potential of employees and be challenging, but the goals that can be achieved through their efforts. Because excessively high goals may cause employees to lose their confidence and motivation, while too low will hinder employees to achieve the desired level, so a balance should be found between the two to enable employees to better achieve the goal of this position. Contribute to departmental and corporate goals.

5.2 Determination method

The method of performance assessment will affect the validity of the assessment and the correctness of the assessment results. Therefore, managers must choose different assessment methods according to the content and objects of the assessment, so that the assessment method will have a relatively high degree of reliability and validity. Each performance appraisal method reflects a kind of management ideology, which has certain scientificity and rationality; at the same time, different methods have their own limitations. However, from the perspective of the long-term development of the company and the effectiveness of employee performance appraisal, objective management appraisal method, 360-degree appraisal method, and balanced scoring method should be the main methods. For enterprises, in the specific application, according to their own objectives, different levels of assessment, enterprise size and characteristics of the enterprise, a specific analysis of specific issues, the application of a variety of methods to obtain the best assessment results.

5.3 Selecting indicators

Many companies do not have scientific indicators for the performance assessment of employees. Selecting performance indicators is an important and relatively difficult problem in assessment. Employees in different positions receive different tasks and their work responsibilities will vary, and the company's expectations and requirements for each employee will vary. Therefore, the performance appraisal index should combine the functions of various departments and positions to find out the focus of work and guide the work of employees. At the same time, when designing performance evaluation indicators, two principles should be followed: First, assessment indicators should conform to SMART principles, with quantifiable, practically observable indicators, and assessment indicators should be as concise as possible, and the number should not be excessive. The excessive number of indicators will lead to an increase in the workload of the appraisers, and it is difficult to distinguish the weights of the appraisal indicators. Second, in determining the appraisal indicators, the actual situation of the enterprise should be taken into consideration to establish a targeted index that meets the management needs of the enterprise. system.

5.4 Performance Feedback and Communication

Effective feedback can not only enable managers to understand the actual situation of employees in a timely manner, but also test their level of assessment through communication to ensure fairness, while improving employee satisfaction can also make their work more hard. There are mainly formal and informal ways of performance communication. Formal communication is pre-planned and scheduled, such as written reports, regular conversations, and meetings. There are many forms of informal communication, including chatting with the appraisers, walking management, and open office. In fact, the best form of communication should be flexible and should not be deliberately

prepared and arranged. Managers should choose the appropriate communication method according to the contingencies of different situations to realize the exchange of information. Through performance feedback and communication, the two parties can work out a detailed written performance improvement plan, adjust the performance evaluation plan for the next cycle accordingly, and provide reference and reference for future assessments to further improve the performance evaluation system.

5.5 Performance incentive

Performance assessment and incentives are separable. If the performance appraisal system is to be implemented smoothly, it must make full use of the incentive system. There are many incentive measures, including material incentives such as pay, bonuses, benefits, and fines, as well as spiritual incentives. Through the establishment of a series of communication channels and democratic mechanisms, all employees have formed common values, enhance their sense of belonging and responsibility, enhance team spirit, and create a positive and progressive cultural atmosphere. From the level of Maslow's theory of needs, we can see that when a demand is satisfied, employees will turn to other needs. Because each employee's needs are different, effective incentive measures for one person may be ineffective for others. While giving consideration to fairness, managers must pay attention to differences. Modest and reasonable differences do not cause employees to resist, but they will encourage employees who are willing to contribute to the company to work harder.

6. Summary

Building a performance appraisal system depends on the specific environment in which the company is located. For any company, there is no rigid, universally applicable optimal performance appraisal system. The theory of contingency provides a theoretical basis for this argument. The company should assess the employees based on their own characteristics and requirements based on the analysis of their environment, dynamically determine the performance appraisal goals, indicators and methods, continuous feedback and communication. Establish a reasonable incentive mechanism, build a competitive strategic human resource management system that meets the needs of the development of the times, promote the realization of corporate strategic goals, and promote the rapid development of enterprises.

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