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MANAGING PERFORMANCE – ASSIGNMENT

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1. Introduction

1.1 The role of Human Resource Management in managing performance

Human Resource function plays an important role in any organization, and the performance of organizations will be assessed through how HR function works. It aims to achieve success by using people. According to (Armstrong 2009), the concept of performance is defined in what and how it achieves. An organization use performance as the key indicator to measure productivity. (Mitchell, Obeidat et al. 2013) also found that human resource management functions contribute mainly to the performance of organization.

This assignment is divided into 4 parts. First, it illustrates the goal and purposes of performance management and briefly introduce Tieng Vang (Echo VietNam). The second part is going to discuss the employee engagement and employee involvement strategies. Then, how Tieng Vang company improve performance management will be showed in the third section. Finally, all the information will be summarized, and some recommendation are showed.

1.1.1 Organizational concerns

The first concerns of organization in performance management is about Recruitment and Selection. Recruitment and selection aim to create a group of potential candidates and then selected suitable people from that group (Rees, Rumbles 2010). A study by the Allegis Group showed that 83% of organizations believe that the main challenge nowadays is to attract and retain talent. Next, job analysis and design are the concern of organization. (Bohlander, Snell 2006) showed that this function contains describing nature of the job, qualifications, skills, and work experience for the suitable position. This function is so important in combining the individual work unit to the whole goals of organization.

Checking and analyzing employee performance is another crucial function of HRM. A study of Deloitte's Global Human Capital Trends indicated that about 79% of executives appreciate rate redesign of performance management system and practices to incorporate elements like continuous feedback, goal setting and employee-driven communication as a high priority. Also, Human resource management function in an organization allows their staff access new skills and knowledge to boost their performance more effectively. Learning and Development also promote employees to take up higher level of responsibilities. Human Resource Management includes salary and compensations for different types of jobs. (Clack 2020) found that compensation reasons accounted for 19% of the reasons people quit their jobs. Human resource management function needs to fulfil its responsibilities by implementing the organizational policies and make fairly system for every staffs. This function takes care of numerous services, benefits and facilities provided to an employee for their wellbeing.

1.1.2 Employee concerns

People who want to become professional managers in the field of Human Resource can face with some normal employee concerns. In particularly, employees tend to become an important part in the organization and make an impressive with their manager and customers. Thus, they can do a good job with the best ability (Gruman, Saks 2011).

Therefore, the motivation and job satisfaction are the main concern that all employees think carefully before choosing any organization. The fact is that sometime managers may not satisfied with their staffs, so they expect their employees can update their accomplishments.

Besides, rewards and benefits also are the main concern of employee's decision. They want to receive as they deserve, and which is the motivation for them to be engage in the organization. If they contributed a great deal to the organization, they may consider asking for higher paid. Training and learning opportunities are the employee's concerned as well. When they move into the new working environment, they expect to gain more knowledge and working experiences. Thus, training opportunities are the best ways to meet some excellent trainers or supervisors who can promote their performance and enhance their spirit.

(Pescud, Teal et al. 2015) indicated that promotion is one of the main factors contribute to the satisfaction of employees in organization. Promotion enhance employee's spirit, which leads to the increasing of productivity of both individual and the organization. As a result, employees may show more responsibility with their jobs due to their morale motivation. After that, organization can keep the talent and valuable workers who can boost itself productivity.

Also, workplace conditions are paid attention by employees. Health and safety, security and working hours are the factors affecting working environment. A healthy workplace environment can be the solution to maintain the positive result in a stressful atmosphere. Employee motivation and happiness can be affected by their working environment, and it decides the efficiency and productivity of their performance.

1.2 The goal and purposes of performance management

Managing performance aims to provide both managers and employees a consistent system to follow and increase productivity. This effective system illustrates employees the route to become successful. Also, performance management help managers understand the progress of their employees as well as the improvement so that they can provide the feedback on their performance consistency (Gunaratne, Du Plessis 2007). Managing performance is beneficial for both employees and company in some several ways.

There are five main objectives of performance management. Firstly, it develops clear role definitions, expectations and goals. Secondly, it increases employee engagement. Next, performance management develop managerial leadership and coaching skills. Also, through improved performance, productivity will be boosted. Lastly, it develops a performance reward program that incentivizes accomplishment.

The performance management process is collaborative and based on communication, which promote employees and employers work together to plan, monitor and review the employee's objectives, long term goals, job trajectory and comprehensive contribution to the company (Ilgen, Feldman 1983). This process needs to be happened continuously and regularly in order to both managers and employees have the same opportunities to receive and give the feedbacks. Lack of motivation can lead to some problems such as less employee's promotion, lack of actionable feedback (Cox, Patrick 2012). If an organization have an effective performance management process, those problems can be fixed to promote employees set their goals and also help company achieve overall objectives. In Performance management process, there are 4 main steps a company need to follow: planning, coaching, reviewing, and rewarding.

The first step of the performance management process is Planning. Human resource management function has to determine what the job is, and also provide a general description long and short-term goals. Moreover, all targets need to be clear and follow SMART format (specific, measurable, attainable, relevant, time-based). After defining stage, employees have opportunities to support on this material. In order to achieve

organization goals, they can provide effective opinions due to their skills and experiences related to their work. Then, both managers and employees have the same agreement about the role, goals and objective of the job. As a result, the employees in the company will feel they contribute to the goal setting of the whole team and become an important part.

The second step is coaching. The coaching process is extremely important in any organization; therefore, it needs to be built regularly at least quarterly to boost performance process begin (Hill 1997). Also, it provides necessary training, coaching and solutions instead of focusing on low performance. In this process, feedbacks from both sides need to be listened to improve employee's performance. Then, managers should revise objectives to see if any adjustments should be made, as well as pay attention to career development opportunities for their employees.

The third step is Reviewing. An employee review always happens annually, which is sometimes also called a performance appraisal. These are held to assess how effective the employee performs after a year. In order to see how different or how progress an employee have been made, there should be a clear record from previous check and have the whole accurate view. Also, performance management process needs to be reviewed. At this stage, both management and employees have to check their previous performance by raised some questions related to organization objectives or employee challenges. One of the main questions to answer is about "did the employee reach their goal?". It is important to review all the goals they have set and give the feedback. Management should provide actionable feedbacks for the employees so that they know areas where they can improve future performance.

The last step of performance management process is Action. The keyway in this step is Reward and recognition. The fact is that employees need motivation to devote for the organization. Motivation can be money, or even new projects, company-wide recognition, time off and promotion. In the end of the cycle, management function and employees have

the last opportunity to show their feedbacks on the process and prepare a plan for the next year's cycle.

1.3 Tieng Vang VietNam (Echo VietNam) company overview

Tieng Vang (Echo VietNam) company which was established in 2001 and located at Viet Nam. It is an importer and distributor of premium food and drink products, representing more than 30 brands worldwide from premium brands to mid-range brands for all objects of consumption. Echo Viet Nam diversified retail outlets including supermarkets, mini-mart, shops, hotels, restaurants, and cafes. With around 1500 staff working at one location, Human Resource function facing a big problem of managing performance of its staffs. The reason is that the company is family run and still use the traditional way to manage employee; therefore, employees are more likely to change the job regularly. In order to become more competitive in the job market, Echo Viet Nam need to improve Performance Management by changing the concepts and practices.

2. Employee engagement and employee involvement strategies

Employee engagement is the level of mental and emotional commitment an employee has towards their jobs, the organization, and its goals (Macey, Schneider et al. 2011). An engaged employee is driven to help their organization succeed by directing their best efforts towards their work. They believe in the organization, and they will work to make sure that the organization succeeds. It is important to note that employee engagement is different from employee satisfaction. A satisfied employee will not necessarily commit extra time and effort into the organization's success, rather they will perform their job competently without expending extra effort. Job satisfaction tends to be transactional, corresponding to salary and benefits. Employee engagement is not transactional; an employee with a higher salary will not necessarily be an engaged employee.

The employee engagement strategies can be divided in to monetary and non-monetary (Waqas, Saleem 2014). The monetary strategies include the compensation and benefits package offered to employees. The non-monetary ones pertain to an effective recruitment and training program, leading by example, an enhanced communication channel, satisfactory opportunities, a strong feedback system and building conducive work environment and culture.

2.1 How important of employee engagement

Employee engagement can massively aid an organization, and organizations with engaged employees consistently outperform their competitors. The Harvard Business Review Analytic Services study reveals that 71% of executive rank “employee engagement” as very important to achieve organizational success.

Factors Most Likely to Bring Success

Which factors are most likely to bring success?

Importance top box scores (8–10) for all respondents



Source: <https://hbr.org/>

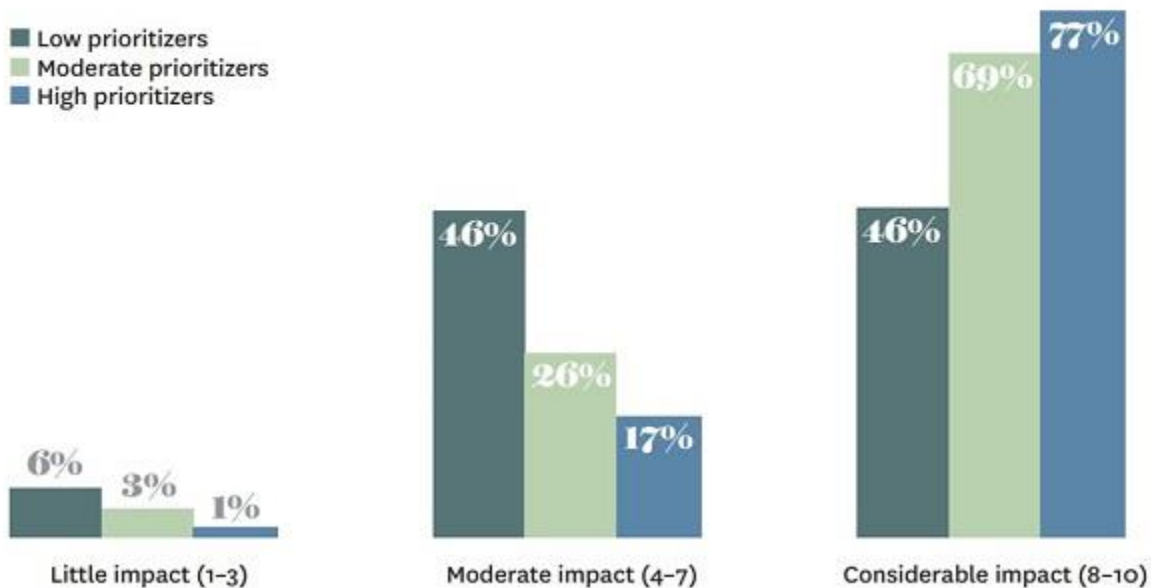
If an organization have the high level of employee engagement, it can bring a lot of benefits. Firstly, engagement employees will go above and beyond to provide great service

to customers. When they have chance to perform their jobs which show their best ability, they can show their proud of this job. For example, a salesperson will not mind working extra time when they meet a potential customer, or a coder need to work at night to fix the problem for the client. As a result, customers who received those services will introduce others about their good experiences and comeback to this service. The number of loyalty customers also increase by the time. Study from Harvard also indicates that 77% of the companies that give high priority to employee engagement (considered as a “high prioritize”) think that employee’s engagement has a positive impact on customer satisfaction.

Impact of Employee Engagement on Customer Satisfaction

To what extent does employee engagement have a direct impact on customer satisfaction?

■ Low prioritizers
■ Moderate prioritizers
■ High prioritizers



Source: <https://hbr.org/>

Secondly, productivity and efficiency will be improved. An engagement employee desires to devote their job which is beneficial for the company. Therefore, they always find the best ways to make great productivity instead of others who want to get money with less amount of work. Also, the number of staff turnover can be reduced. The fact is that an

employee who are satisfied with their job still can change to another company when they are required better salary. When an employee leaves, some services can be disrupted and wasting money of organization. Studies show that employee retention is a challenge, with 81% of small business recognizing turnover as a costly problem and replacing a lost employee can cost up to 40% of a salary. Employee engagement leads to directly better staff retention because they truly want to continue helping the organization reach its goal.

Next, engaged employees will want to work regularly and they are less likely to miss work. They even make an effort to finish their work on their own time instead of working only in the office. Another benefit of employee engagement is that company culture can be enhanced. An engaged employee should know how important of culture in any organization. Thus, they tend to spend more time to train or advise others to have accurate attitude in the workplace in order to contribute to the company success. Moreover, according to (Konrad 2006), companies that have engages workers report 21% higher profitability and were scored 17% higher on productivity. An organization can gain more value due to employees' satisfaction and loyalty. The harder employees work, the more profits company can achieve.

2.2 Impact on employee engagement

There are some main areas that have the most impact on employee engagement. According to (Turner 2020), a work-life balance should be maintained for both healthy relationship and employee's productivity. When employee can balance things out with their work and life, they will be able to spend more time for their interests and needs, then become more satisfied with the job they are working. Next, communication and goal setting can be another impact on employee engagement. By taking the time to find out an employee's personal goals, and then relating them to the organization, employees need to be motivated to strive to achieve.

The next impact on employee engagement is about organizational transparency. To specify, it finds important to provide the workplace transparency by sharing information freely for both organization and its people can take (Albu, Flyverbom 2019). Also, trust between

staffs and employers will be created, which enhance working morale and employee engagement.

Salary, benefits, and other financial incentives are not the only things that employees are looking for in a job. They care for also recognition and reward which can encourage them to decide to stay or leave the organization. If the competitors raise the amount of salary equal to the money an employee get, however, things can keep them stay commit with the organization from employers can be different. (Osborne, Hammoud 2017) showed that employers with good recognition and career development programs scored significantly higher in terms of productivity, revenue, customer retention, and employee retention than those who did not.

Besides, staff training is important method to increase employee engagement. Employees feel valued through career enhancement and development, which therefore increases motivation to achieve company objectives. Provide learning and development opportunities to individuals shows that the organization is willing to invest in their employees as a person. Productivity usually increases when a company implements training courses. When learning opportunities become more effective and inspiring, employees can share their feeling to others with their proud and employee engagement goes up and up naturally. Training also makes a company more attractive to potential new recruits who seek to improve their skills and the opportunities associated with those new skills.

Last but not least, compensation and benefits can become one of the most important factors affect directly employee engagement. Direct compensation can be considered as any type of reward, it is normally in cash and follow the performance. While indirect compensation do not follow the performance and is showed by various form of benefits. According to (Jawahar, Stone 2011), perceived satisfaction of pay, the procedures used to make compensation related decisions, and the manner in which compensation related information is communicated play an integral role in shaping reactions to critical elements of the compensation system.

3. How Tieng Vang company improve performance management

3.1 Rewards and recognition

Reward and recognition are the activity an organization perform to record the special performance and encourage good behaviors or values. Reward and recognition schemes need to be actioned on the right way to motivate positive behaviors of the employees. This view is also supported by (Ali, Ahmed 2009). The best schemes send a clear message that the organization recognizes an individual's or a team's hard work throughout the year. Nowadays, some organizations like Tieng Vang use the way to link performance to compensation. However, this link needs to be provided performance management process to become more effectively.

Tieng Vang company should create a culture that employee can share their ideas by providing a forum on the company intranet or social group. It will encourage individuals raise their voices to support the organization. Then, rewarding some great ideas and including employees in decision-making processes to help individuals who offer their thought feel more engaged. Also, Organizations that encourage managers to engage employees by making it a performance criterion and rewarding engagement through incentive programs indicate that their organizations more effectively foster employee engagement and motivation than those organizations that do not. If HR function of Tieng Vang company wish to encourage employee engagement, they should develop performance metrics that measure the extent to which supervisors or managers encourage engagement among their subordinates. Then, they can reward supervisors and managers for developing employee engagement among their subordinates and peers.

Management function also can prepare a program to evaluate their employee's performance in the office. To specify, it can be showed by giving points for the good quality showed in their jobs. For instance, if an employee support other colleague finishes their work on time or remind them to write a report in the end of the day, they can get points. All the points will be collected at the end of the week or month. The gift for good points

will be some vouchers or ticket. Even the prize can be some benefit such as having a half day off. As a result, the spirit and relationship of employee will be enhanced.

Moreover, quality of leadership had the strongest relationship with effectively engaging and motivating employees. HR function can use pay packages to attract leaders who have demonstrated their ability to engage employees. They also need to develop employee engagement resources that are directed toward work environment or organization climate, work-life balance and the nature of the job and quality of the work, and career opportunities.

3.2 Training and learning opportunities

In any organization, it finds difficult to manage performance due to many skills requirements. There are some important skills which contribute to the performance management of both employees and employers. Also, those skills promote to improve productivity and employee engagement as well. Some managers can be asked for training to make sure they prepare enough knowledge and experiences related to managing performance (Saks, Haccoun et al. 2010). Especially for the new promoted supervisors, they need to be trained to understand the way to motivate other and how to find the solution for any problem. In other words, managers need ability to observe and provide motivation, as well as define the issues which prevent the effective of performance management. Expressing interest in the employees' professional development it does not necessarily mean paying for their education or courses (Saunila, Tikkamäki et al. 2015). It just means that managers pay attention to individual targets and try to support them achieve their goal. In addition, management function can find out more information about the course and send email about them to boost employees can reach their target faster.

If Tieng Vang company wants to focus on training and learning opportunities to improve employee engagement and performance management, they need to have a directly action plan. Leadership would decide who is responsible for leading the action plan. This should be a team from different levels of the organization, ideally made up of employees who

show a high level of engagement already. This is a good opportunity to develop leadership skills in employees and to show that their contributions are valuable. As the team proceeds with this process, there will be regular presentations to the leadership to update on progress, make necessary adjustments, and expands the program if needed.

Firstly, Tieng Vang company should make learning and training more flexible and accessible. The fact is that employees find it difficult to balance their time for both working and training. Therefore, using Learning Management System (LMS) can become an option. E-learning offers the convenience when users can access even through mobile-phone and save a lot of time. Besides, a blended approach is recommended. That includes micro-learning, instructor-led training, projects, assessments, and cross opportunities. This intentional variety keeps learning exciting, addresses different learning styles, and offers more depth, which employees crave. Also, managers need to be get involved on the training and learning process. Because they are directly contact with employees on a daily basis and can monitor employee's performance both before and after training. So, they need to be more involved to help their staff directly assess to the learning.

Furthermore, when designing ongoing training for employees, employee's opinion should be considered the most because they know what they need in the future. If they feel their own opinions are listened, they tend to be more motivated to participate.

4. Conclusion and Recommendation

In conclusion, the aims of this report are to introduce the important of Managing Performance in the organization by defining the organization and employee's concern when working. Besides, this report shows some factors which affect the employee engagement and also indicate the role of employee engagement in the development of organization. Finally, some effective ways that Tieng Vang company using to improve the performance management are indicated through rewards and recognition, training and learning opportunities.

There are some recommendations can be used for Tieng Vang company in particular solutions to improve the Performance Management. In terms of rewards and recognition, Tieng Vang can build a vote for the employee of the month to encourage staff's spirit in the organization. One of the most concern of employees is that their daily performance will be recorded and tracked by the employers. As a result, they feel more confidence and want to show their ability more. The, other employees are more likely to work harder so that they can achieve the prize next month. The employee who win the prize can be proud of their company due to their appreciated. Also, Tieng Vang company should also reward to the team that have accomplished or worked well together. Reward could be as simple as shopping voucher or movie ticket for them to enjoy together in order to build the teamwork spirit.

Another effective way to improve employee spirit and engagement can come from the small actions like celebrating employee's birthdays and working anniversaries. It may just be simple as birthday cake and the gifts are the funny notes from other employees in the company or some shopping vouchers. Another interesting way to help Tieng Vang company and retain talent is the small compliment talk. Instead of being nervous when having a calling to the manager office, employees can feel happier when they receive a message to complement their performance and motivate them to work harder.

In terms of training and learning opportunities, Tieng Vang company should replace traditional management way as previous by changing and providing some interesting training program. For example, training program need to balance between hard skills and soft skills. For example, instead of only open some training program of technical skill like office software, HR function today can provide more program of soft skills such as leadership, time management or conflict resolution. Soft skill training can be held in both online or offline course so that employees can easily to access and flexible to work any time. Besides, some team-working program should be held regularly to improve employee spirit and promote teamwork skills for all employees. The fact is that staffs will have more opportunities to know and learn from others and from their managers as well. As a result,

it can build a good relationship among people. Finally, learning to gain more knowledge and experiences for new promotion also need to provide in Tieng Vang company. In stead of traditional family running, Tieng Vang can offer some opportunities to study abroad or short course from some professional person for every employee equally. Any person desires to commit with this company can make an effort to gain this scholarship improve their ability. Therefore, working environment in Tieng Vang will be more interesting and become more attractive with other potential candidates.

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