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MANAGING PERFORMANCE

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1.INTRODUCTION:

This study is based on the family-run, traditional "SAINCO" retail organization. It is apparent that the corporation, which employs 2,000 people at several locations, is run in an autocratic manner. It is determined that in order for Sainco to accomplish its objective, some management adjustments are required. In order to boost productivity, it is acknowledged that Sainco must adopt contemporary performance management ideas and procedures that are compatible with the present corporate climate. Consequently, in order to implement new performance management techniques and procedures in the retail organization "SAINCO."The first step in understanding performance management is to grasp its definition, as well as the elements that influence it, its goals and guiding principles, and the connection between performance management and HRM. The HR profession began to widely utilize the phrase "performance management" in the early 1990s, though goal-setting, evaluation, and review, as well as performance-related compensation, were already becoming the norm before then. There was misunderstanding on the true meaning of the word "performance management." It was referred to as an appraisal process by some, and as training and development by others. A natural management process, performance management helps to effectively manage both individuals and teams to reach high organizational performance standards. Additionally, the topic of "SAINCO's" competitive edge will be covered. Secondly, the aspects of organizational and staff concerns associated with "SAINCO" will be highlighted in this paper. These are concerns that must be considered while creating new PMS practices and concepts. This will be followed by a piece of writing that focuses on employee involvement and engagement strategies and analyzes their differences. Lastly, the evaluation will offer "SAINCO" both short- and long-term suggestions.

2. CONCEPT OF PERFORMANCE MANAGEMENT :

Prior to implementing novel techniques and procedures in performance management to gain a competitive edge in the marketplace, it is critical for "SAINCO" to comprehend the meaning and scope of performance management, as well as its goals and guiding principles, as well as the variables that may influence it.

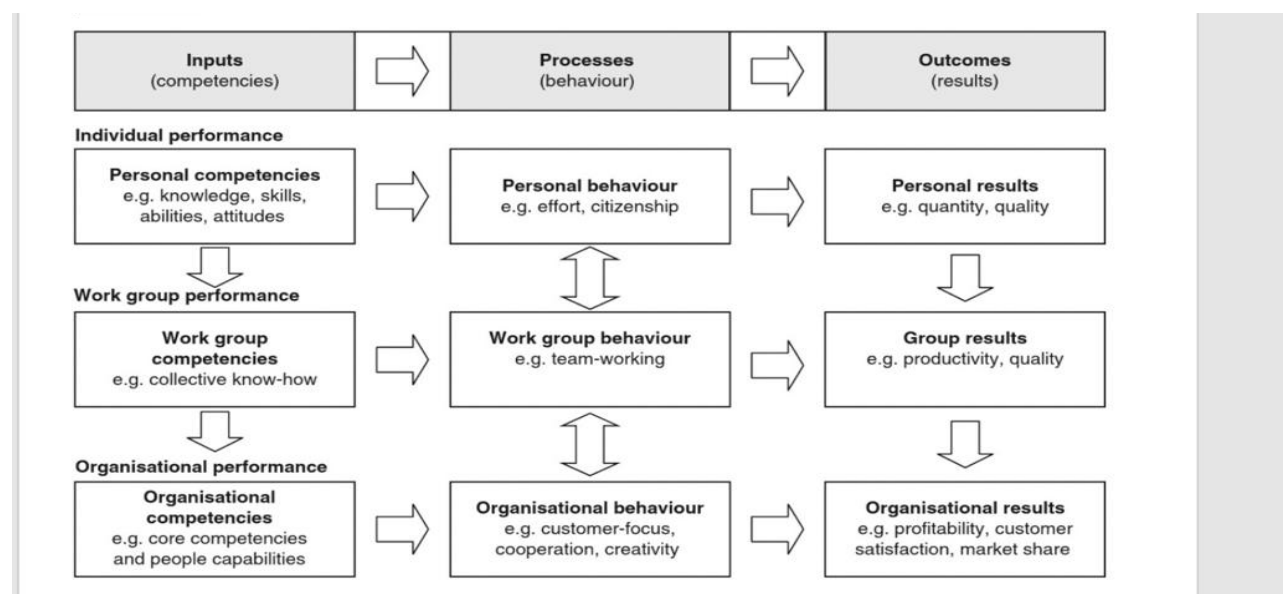
2.1 DEFINITION OF PERFORMANCE :

"Performance refers to the way in which certain systems—organizational units with varying personnel, processes, and sizes—contribute to the achievement and validation of an organization's objectives." Hauber (2002). "Performance is the ability to effectively deploy and manage the causal model's components, which results in the timely achievement of stated objectives within situation- and firm-specific restrictions." Lebas(1995).

job performance as a system made up of three primary components placed in a straight line:

1. "Inputs," which include various concrete and intangible "resources," as well as staff members' knowledge, skills, and competencies (i.e., talents and attitudes).
2. "Throughputs" related to human resources (i.e., actions that convert inputs into outputs, such as work effort and other behaviors—which are crucial—and
3. "Outputs" related to work behavior (i.e., results).

Thus, an employee contributes work inputs in the form of knowledge, skills, talents, and attitudes; these are then applied through effort and associated work behaviors, and within a set amount of time, the employee produces a specific number of goods or services of a specific quality. (Shields et al., 2015)



(Figure - 1, Description of performance , John Shields, 2015)

2.2 DEFINITION OF PERFORMANCE MANAGEMENT

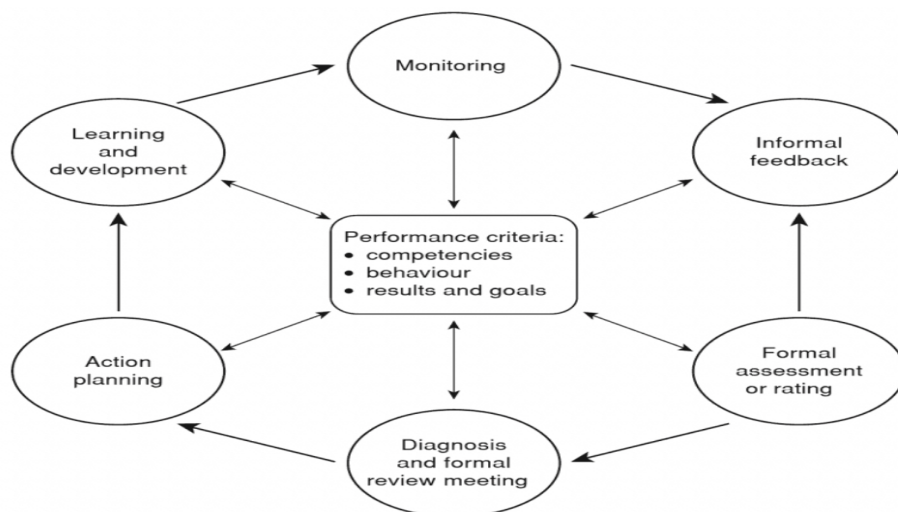
Though the term "performance management" has many distinct connotations, at its core, it refers to a variety of management activities that aim to improve performance and make it more "manageable." Numerous viewpoints, such as those from strategy, organizational behavior, operations management, economics, accounting, and human resources management, can be applied to it. Most people describe performance management as an integrated process that involves managers working with staff members to establish goals, monitor and assess performance, decide on improvement plans, and occasionally even award good work (Den Hart et al., 2004). It entails coordinating a number of interconnected HR tasks, including performance reviews, training and development, induction, and performance-related compensation, with the goal of influencing both individual and organizational performance. (Hutchinson, 2013)

It can also mean taking a methodical approach to enhancing team and individual performance in order to meet organizational objectives. (Henry et al) . Walters defines performance management as guiding and assisting staff members in doing their jobs as efficiently as possible while meeting the demands of the company. (Armstrong & Baron, 2005)

According to Fletcher (2009),” the true meaning of performance management is linked to a strategy for forging a consensus around the organization's goals and objectives while assisting staff members in realizing their own role in advancing those goals and ultimately improving the organization's performance.”

Thus, it addresses the following issues:

- A strategic vision and orientation
- Planning and consequently integration
- Determining goals and metrics
- Continuous learning and improvement



(Figure 2 , performance management cycle, John shields 2015)

2.3 PURPOSE OF PERFORMANCE MANGEMENT :

A thorough understanding of performance management is provided by John Shields (2007), who emphasizes the four goals of the system: strategic communication, relationship-building, employee development, and evaluation. The main objective of the organization is to accomplish strategic goals by means of particular administrative, management, and developmental tasks. In addition to identifying learning gaps and giving managers a framework for managing employee performance, performance management also offers data for administrative duties like talent management and performance compensation. By coordinating HR strategies with company objectives and guaranteeing vertical integration, it supports strategic human resource management. (Armstrong & Baron, 2005)

DeNisi and Smith (2014) stress how crucial it is for a company's performance management system to be in line with its strategic objectives. In order to provide clarity on each employee's contributions, this entails cascading strategic objectives down through management tiers to each individual employee. By being combined with other HR procedures like talent management, learning and development, reward management, and human capital management, performance management also helps with horizontal integration. By combining these elements, a unified HR framework is produced that supports both individual contributions and organizational goals, eventually serving to the advantage of management and staff.

What management can gain	What individual can gain
The opportunity to: ☐ integrate individual, team and corporate objectives. ☐ guide individual and team effort to meeting overall business needs. ☐ motivate and engage employees. ☐ recognise individual contribution. ☐ plan individual careers.	They will: ☐ know what is expected of them. ☐ know where they stand. ☐ know what they need to do to achieve their objectives. ☐ be given the opportunity to develop their skills and careers.

Table 1 :

What management and individuals can gain from performance management (SELF CREATED)

The overarching goal of performance management is to support individuals and the organization in achieving high performance. "High performance" is defined as meeting and beyond demanding goals in terms of growth, earnings, customer service, productivity, quality, and shareholder value.

In particular, performance management seeks to improve the good, disseminate knowledge about what needs to be accomplished, increase people's ability to do so, and offer the support and direction necessary for individuals to reach their maximum potential and deliver excellent performance for the good of the organization as well as themselves.

Performance management addresses underachievers in a constructive way by giving them the tools they need to increase their output or utilize their skills more effectively.

2.4 PRINCIPLES OF PERFORMANCE MANGEMENT :

The following summarizes the fundamentals of performance management:

- It converts corporate objectives into goals for each person, group, department, and division.
- It aids in defining company objectives.
- Performance improves over time as a result of an ongoing, evolving process.
- Instead of relying on authority or force, it depends on agreement and cooperation.
- It establishes a mutual comprehension of the necessary steps to enhance performance, which will now be accomplished.
- It promotes performance self-management on an individual basis.
- It calls for an honest and transparent management style that promotes two-way communication between superiors and subordinates.
- It needs ongoing input.
- Feedback loops allow individuals' work experiences and expertise to be applied to change corporate goals. (Armstrong & Baron, 2005)

2.5 FACTORS AFFECTING PERFORMANCE MANGEMENT :

Progress in implementing performance management has been observed, but obstacles persist. Kelman (2007) identifies factors affecting the system.

2.5.1 STAKE HOLDER INVOREMENT :

beginning with the involvement of stakeholders, highlighting the significance of group-initiated, organizational procedures for policy influence. By gaining access to stakeholder resources and information, the objective is to improve policy performance. Lavertu and Weimer (2010) emphasize how access to information and group learning can improve performance when stakeholders are involved. Successful performance management requires the support of upper management and employee involvement. Stakeholders facilitate inter-organizational cooperation, act as fire alarms, and provide useful information for policy change (Walker et al., 2010).

Governments are also encouraged to include stakeholders by developing policy support. Collaboration among stakeholders is crucial, given the range of policy concerns. According to Provan and Kenis (2008), stakeholder involvement promotes compromise and lessens opposition by facilitating interest mediation. Involvement increases support for policies even when they don't coincide with the interests of all stakeholders (Newig and Fritsch, 2009).

2.5.2 CONTINUOUS MONITORING ,FEEDBACK :

It is essential to monitor continuously, provide feedback, and learn from the outcomes. Employee performance is driven by competency frameworks, goal/target setting, and performance appraisal. Goal-setting influences behavior and defines duties by requiring involvement, dedication, and precise assessment. Performance measurement finds roadblocks and motivates behavior with prompt, equitable rewards.

2.5.3 ORGANIZATIONAL CULTURE :

It is critical to keep an eye on things, give criticism, and take lessons from the results. Performance evaluation, goal/target setting, and competency frameworks all influence employee performance. Establishing goals requires commitment, effort, and accurate evaluation, which shapes behavior and specifies responsibilities. Performance evaluation identifies barriers and encourages behavior with fair and timely incentives.

2.5.4 LEADERSHIP COMMITMENT :

Employee dedication and organizational goals depend heavily on the commitment of the leadership. Performance management, which emphasizes the significance of values, mission, and vision, is a valuable addition to competent leadership. Setting goals and defining expectations for the organization are two important aspects of leadership. Halachmi (2011) asserts that well-crafted goals increase worker engagement and output. Even if they might not be good leaders, managers have opportunity to exercise leadership. In order to support long-term objectives, true leaders concentrate on directing change, creating a vision, and encouraging innovation (Shackleton, 1995; Thompson, 1997).

2.6 THE ROLE OF HRM IN PERFORMANCE MANGEMENT :

Since people are acknowledged as the main source of competitive advantage in small and medium-sized businesses (SMEs), human resource management (HRM) becomes crucial. HRM is the engine that propels SMEs through difficulties, playing a pivotal role in overcoming roadblocks. In today's knowledge-based economy, the importance of HRM activities, practices, and processes is becoming more and more

apparent. Effectively allocating and utilizing labor forces involves more than just staffing jobs; it also involves making sure that production of products and services is produced as efficiently as possible. Consequently, this raises the general standard of life for community members and advances societal welfare.

In the framework of a nation's European integration, strategic goals must be achieved through effective human resource management. A crucial manufacturing asset that enhances business performance and overall efficiency is human capital. But difficulties emerge during this phase of change, requiring expenditures on professional training and human resources to improve staff competencies. The efficient administration of human resources is directly related to an organization's success. (Abduli, 2013)

2.7 THE RELATIONSHIP BETWEEN PERFORMANCE MANGEMENT AND HUMAN RESOURCE MANAGEMENT :

The relationship between HRM and organizational success has been the primary focus of educational research in the subject of HRM over the last few decades (Purcell and Kinnie, 2007). With confidence, the CIPD stated in 2001 that there is "no room to doubt that a clear link between people management and performance exists" (CIPD, 2001-4).

"Best fit" and "best practise" are two well-known schools of thought that have influenced this research, with a new contribution based on the resource-based view of the firm.

2.7.1. Best Practice :

- Proponents assert that combining a number of standard HR practices will improve performance.
- Terms like "high-commitment management" and "high-performance work systems" are appropriate in describing this methodology.
- It is expected that when practises are bundled coherently, they produce synergistic benefits and cumulative effects that improve performance overall.
- Pfeffer's seven practices, among other lists of recommended practices, demonstrate the practices' wide applicability.
- Among the complaints are the failure to take into account contextual differences in the nation's culture, industry, and organizational size; also, there is disagreement over the importance of specific practices.

- There are many methodological problems with the research; employee opinions are usually disregarded in favor of organization-based surveys . (Hutchinson, 2013)

2.7.2. Best Fit:

- Advocates claim that performance will be enhanced by integrating several common HR procedures.
- When characterizing this methodology, phrases like "high-commitment management" and "high-performance work systems" are appropriate.
- It is anticipated that cohesively packaged practices will result in synergistic advantages and cumulative impacts that enhance performance as a whole.
- Pfeffer's seven practices show the practices' broad applicability, as do other lists of suggested procedures.
- A few of the grievances include the disregard for the contextual variations in the country's industry, culture, and organizational size; also, opinions differ about the significance of particular practices.
- The research has numerous methodological issues; employee perspectives are typically ignored in favor of surveys conducted by the organization. (Hutchinson, 2013)

2.8 ROLE OF MOTIVATION IN PERFORMANCE MANAGEMENT:

Motivation has always been a critical component of employee performance from a theoretical and management perspective. “SAINCO” by understanding what motivates people at work, hope to be able to encourage people to work willingly and to their best ability – but how to elicit this effort is one of the most difficult challenges that organisation face.

Motivation is a very broad and abstract concept and one which is hard to assess directly in the workplace – as anyone will know who has tried to measure employee motivation. The term ‘motivation’ derives as an extension from a Latin word for ‘motion’ or ‘movement’ (motus) and is often used to refer to the effort or energy that an individual puts into an activity, but it is more complex than that. Locke and Latham (2004) describe motivation as the ‘internal forces that impel action and the external factors that can act as inducements to action’ (2004: 388) – in other words, the factors that push and pull us to behave in certain ways. External factors might include rewards and the nature of work performed, and internal factors are forces inherent in the person, such as individual needs and motives. There are three aspects of action that motivation can affect:

- direction or choice – what a person is trying to do
- effort or intensity – how hard a person is trying
- duration or persistence – how long a person goes on trying. (Hutchinson, 2013)

2.8.1 THEORIES OF MOTIVATION :

Essentially, content theories focus on what motivates people by considering the 'needs' that people are motivated to fulfil, such as maintaining an adequate standard of living, or security or achievement. In other words, they try to explain why an individual must act. Major theories include:

- Maslow's hierarchy of needs
- Alderfer's modified need hierarchy
- Herzberg's two-factor theory
- McClelland's theory of learned needs
- Hackman and Oldham's job characteristics model.

MASLOW: A HIERARCHY OF NEEDS

Maslow's 'hierarchy of needs' theory (1954), developed in the 1940s, contains some elements of the previous two theories but proposes an ascending hierarchy of needs rather than a single source of motivation. This hierarchy is usually displayed in the form of a pyramid with five types of need arranged in order of importance :

- physiological – the need for shelter, food, drink, warmth, sleep: these are basic survival needs related to the instinct for self-preservation
- safety – the need for protection from danger, security and stability
- social – the need to belong to a group or society, to love and be loved, to interact with others
- esteem – the need for self-esteem, self-respect, and the esteem, value and regard of others
- self-actualisation – the need for self-fulfilment, personal development and achievement, individually sometimes referred to as 'ego' needs. (Hutchinson, 2013).



(FIGURE :3 , Maslow Hierarchy of needs , Herrity 2022)

HERZBERG'S TWO FACTOR THEORY :

Herzberg's Two-Factor Theory, introduced in 1959, challenges the hierarchical order of needs and distinguishes between intrinsic (motivators) and extrinsic (hygiene) factors. Through interviews with US accountants and engineers, Herzberg identified motivators related to job content, such as achievement and recognition, as key contributors to satisfaction, motivation, and performance. Interestingly, these motivators are not linked to money or supervisory style. On the other hand, hygiene

factors, like the work environment and salary, prevent dissatisfaction when present but do not enhance motivation or performance.

The theory underscores the practical implications for designing performance management and reward systems, advocating for a focus on intrinsic rewards to positively motivate employees. Herzberg emphasizes that extrinsic rewards, particularly pay, seldom motivate and may lead to job dissatisfaction, causing workplace issues. Pay is seen as a potent 'push factor' in employee turnover, rather than a 'pull factor.' Herzberg's theory, more applicable to the workplace than Maslow's approach, has been influential in emphasizing the importance of intrinsic rewards, especially for professional workers. (Hutchinson, 2013)

2.8.2 PROCESS THEORIES OF MOTIVATION ;

Process theories aim to describe the mental processes via which individuals make motivated decisions, which advances our understanding of motivation. Process theories are, in essence, working models of the decision-making processes that people carry out to decide whether they will be motivated to pursue particular activities and sustain a given level of productivity, as Chiang and Jang (2008: 314) explain. The direction, energising, sustaining, and stopping of behaviour can all be described and explained by process theories.

Process theories, in contrast to most content theories, recognise that what drives one individual to achieve well could not drive others to do the same.

The expectation theory, goal-setting theory, and equity theory are some of the important process theories for performance management.

EXPECTANCY THEORY

Expectancy Theory, developed by Vroom in 1964 and refined by others like Porter and Lawler, examines how individuals are motivated based on their expectations about work outcomes. This theory focuses on work motivation and provides insights into performance and reward management. In essence, Expectancy Theory suggests that work behavior is influenced by individuals' expectations of their capabilities, the effort they are willing to exert, and the perceived rewards.

Vroom's model identifies three key factors determining the amount of work effort an individual may invest:

Valence (V): The value an individual places on the potential outcome or reward, reflecting the attractiveness of the reward.

Instrumentality (I): The belief that performing at the required level will lead to a positive outcome or reward, often described as the 'line of sight' between perceived performance and reward.

Expectancy (E): An individual's perception of the probability that a specific effort will result in the desired level of performance.

The motivational force (F) is calculated as the product of these three factors:

$$\text{Motivation (F)} = V \times I \times E$$

This equation illustrates how motivation is influenced by the value assigned to the reward (Valence), the belief in the connection between performance and reward (Instrumentality), and the perception of the effort-performance relationship (Expectancy). Expectancy Theory is valuable for understanding and managing work motivation, particularly in the context of performance and reward systems.

2.9 PERFORMANCE MANAGEMENT DRIVE TOWARDS COMPETITIVE ADVANTAGE :

The CEO of the retail company "SAINCO" is focused on obtaining a competitive edge, and in order to do so, performance management of the organization must be the primary focus. It has been observed that performance management methods and tactics in "SAINCO" need to be adjusted in some way. For the organization to compete in the market, new procedures and ideas must be implemented. Being a family-run business with an autocratic management style, decision-makers in this organization usually act on their opinions and judgments and seldom take advice from subordinates. A group under autocratic leadership is subject to total, authoritarian control. This management style's characteristics are as follows:

- ❑ Allows little or no input from group members
- ❑ Requires leaders to make almost all of the decisions
- ❑ Provides leaders with the ability to dictate work methods and processes
- ❑ Leaves the group feeling like they aren't trusted with decisions or important tasks
- ❑ Tends to create highly structured and very rigid environments
- ❑ Discourages creativity and out-of-the-box thinking Establishes rules and tends to be clearly outlined and communicated. (Cherry, 2023)

Consequently, "SAINCO" must alter its management strategies since the autocratic system leaves workers with the impression that they have no say or input into how things are done. This can be especially problematic when knowledgeable and capable team members feel as though their contributions and knowledge are valued less. In certain situations, it also lowers employee morale. When individuals believe they are contributing to the group's future, they typically feel happier and perform better. It is crucial for companies to listen to their employees with an open mind so they feel as though they are contributing significantly to the group's goal.

Furthermore, you must first make sure that rules are thoroughly understood by all members of your team and that they are properly defined before you can expect them to be followed by others. If a team is never recognized for their accomplishments and is only chastised for its errors, they risk losing motivation rapidly. It is therefore more important for a corporation to celebrate success than to focus on errors. If the team does this, they will react to the company's correction far more positively. (Cherry, 2023)

2.9.1 Annual performance management model

In order to improve employee performance, "SAINCO" must also abandon its outdated performance management methodology and adopt a more suitable one. In the past, they have used the conventional annual performance management strategy, which mostly concentrates on the past. According to this strategy, managers would draft in-depth analyses and consult with staff members on them at yearly performance reviews. This methodology is not without its flaws. One of the main problems with traditional performance rating techniques is their frequent lack of objectivity. These techniques can inject bias and inconsistency into the appraisal process because they usually rely on managers' subjective assessments and ratings. This subjectivity has the potential to compromise the assessments' objectivity and legitimacy. An additional drawback of traditional performance appraisal systems is that they frequently adhere to an annual or biannual timetable, meaning that assessments and feedback are only given at predetermined times. This could be problematic since it ignores employees' requirements for ongoing development and performance evaluation in real time.

The ordinary performance review or assessment meeting is meant to accomplish a number of goals, yet it frequently falls short of doing so, including:

- ☐ Assessment: evaluating how well people have done their jobs.
- ☐ Objective setting: establishing new goals and revising old ones.
- ☐ Development Planning: deciding on performance and personal development plans.
- ☐ Motivation: offering constructive criticism and acknowledgement.
- ☐ Communication: acting as a two-way channel for discussions about roles, expectations, relationships, issues at work, and aspirations.
- ☐ Reward: evaluating performance to inform decisions about rewards, particularly performance pay.
- ☐ Talent Management: identifying potential as part of a talent management program. Poor Performance: identifying underperformers so that corrective action can be implemented. (Armstrong, 2021)

2.9.2 360- Degree feedback

"SAINCO" can focus on new performance management model that is 360 -Degree feedback model , 360- degree feedback is the assessment of someone's performance by a number of stakeholders, as shown in figure:4, The most common arrangement is for the assessors to consist of the individual's manager and subordinates. Colleagues and customers can also be included. Assessments are fed back to the individual concerned, usually as ratings against various performance

dimensions. (Armstrong, 2021)

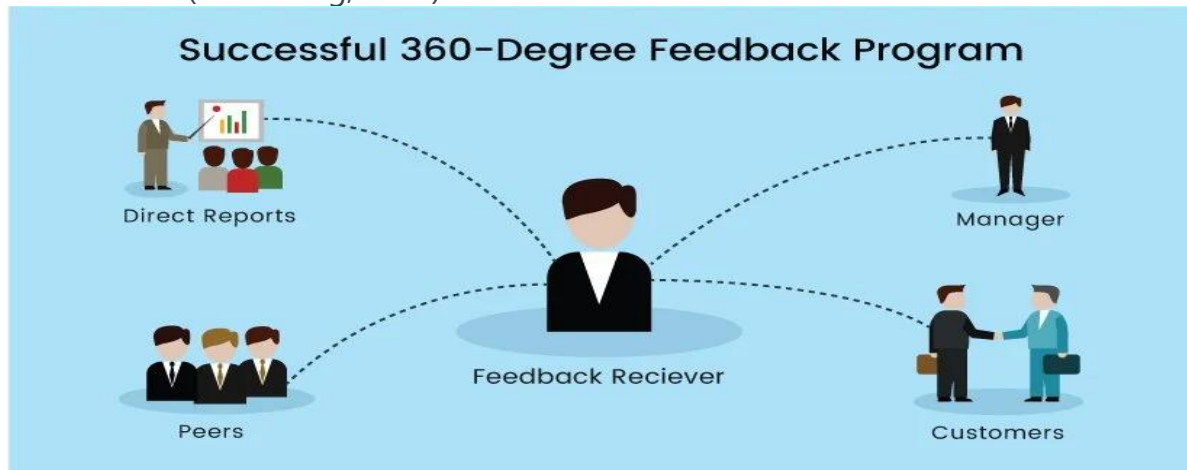


Figure : 4 , 360-degree feedback (shepherd,2018)

Individuals are able to see themselves from a wider angle than they might have before, which helps them see their performance in a more comprehensive light. Feedback is also seen as more legitimate and objective, which encourages acceptance of the necessary activities and the results. (Armstrong, 2021)

Moreover , “ SAINCO” also can use the balanced scorecard , which will help organization to enhance the performance of worker. The purpose of the balanced scorecard is to help people focus on how they can help the firm achieve its strategic goals. It offers a structure for evaluating, contrasting, and combining distinct objectives. The notion was first introduced by Kaplan and Norton (1992, 1996) with the intention of challenging the prevalent emphasis on short-term financial reporting. They contended that a single metric was unable to identify important business areas or provide a comprehensive performance target. According to Kaplan and Norton, the scorecard requires managers to answer four basic questions, which calls for a thorough analysis of the firm from four interrelated angles, as shown in Figure 4. (Armstrong, 2021)



Figure 5: four perspectives of balanced scorecard (Anjali j ,2020)

In addition to 360- Degree feedback and balanced scorecard , family run organization can also focus on continuous feedback .

2.9.3 Continuous feedback :

The fact that feedback is essentially an annual event is among the most significant issues with the conventional yearly performance evaluation. Although it was an imperfect way to remember the past, its artificiality and remoteness meant that it had little to no effect on performance in the present or future. In order to solve this issue, ongoing feedback is now prioritized. This might occur informally as needed throughout the year or occasionally as a component of a process that involves regular performance and development discussions. The disadvantage of this strategy for certain organizations is that it could be challenging to maintain documentation of any important conversations or agreements.

Giving constructive criticism is just as important as giving negative criticism since it helps people build on their strengths and solve performance problems. But in order to take remedial action, it's imperative to let people know when there are performance issues. Problems should ideally be identified by individuals, but when that doesn't happen, managers need to let others know about them. This presents a challenge to many managers who are afraid of unfavorable replies in formal meetings. Close teamwork reduces this difficulty and enables managers to foresee behavior and take early measures to address issues. Employees are encouraged to voice concerns early by approachable and receptive bosses, which helps to stop problems from getting worse. It is stressed that issues should not be put off until official review sessions; instead, they should be resolved right away. (Armstrong, 2021)

3. CONCERNS:

Before introducing new approaches and cocepts in performance management system , its important for “ SAINCO” to know about the concerns related to PMS .

Concers are majorly divided into two parts : organisational concerns and employee concern.

3.1 Organisational concern :

3.1.1 Incompatibility

One of the most widespread viruses within an organization. Employees that do not understand the organization's Vision, Mission, and Values will perform poorly since they will not know what is required of them personally. Gérard, (2017).

3.1.2 Inadequate Guidance

One of the problems with the performance management system is probably a lack of leadership. Because they are involved in establishing the strategic direction and

performance metrics as well as in tracking and evaluating performance throughout the entire organization, leaders are required to spearhead the process and integrate performance management into the core operations of the business. By praising and rewarding excellence, leaders can further strengthen the performance cycle. (Gérard B., 2017)

3.1.3 Poor Communication

Per Sutheewasinnon, Hoque, and Nyamori (2016), the study's conclusions also indicated that inadequate communication was a major obstacle to the public sector's adoption of the performance management system. The annual performance targets that are set for employees are sometimes not understood by them. A lot of the time, the employees are not included in the goal-setting process and no attempt is made to clarify the targets' requirements. Consequently, workers are still unaware of the ministry's performance goals and how they are supposed to contribute to the goal's execution matrix. Schein (2010) asserts that consistent interpretation and application of the organization's core values by managers and staff is essential to ensure productivity and efficiency, and that each stakeholder involved must be apprised of these principles. (Kaupa and Atiku, 2020)

3.2 Employee concerns

3.2.1 No clear career path within the organization.

Employees find it difficult to achieve their goals because there is no clear career path. The organization doesn't provide individual targets at the beginning of the trimester, and this became a huge challenge as individuals don't know their targets.

Lack of clarity is detected in the organization. When employees clearly understand their targets and the expected end products, it is easier for the employees to achieve their goals and for managers to measure performance along the way. Organizations without clear goals or objectives are more likely to devote time to responsibilities that do not influence organizational goals or objectives. The communication gap with the manager on the performance management system is also a rising concern. (Gérard B., 2017)

3.2.2 performance management ratings are not fairly given on merits

Performance management score is not fairly given on merits, it is one of the challenges that employees are facing. Employees, don't feel that managers, fairly grade them, and grading depends on how close you are with the manager.

Without performance data to back up the appraisal, there's no way to determine if the manager fabricated the data and this could deliver information about the employees' performance that's either false or misleading. This could lead to employees getting demotivated. An employee who thinks they are not evaluated unfairly will prospectively lose self-esteem and are likely to quit.

3.2.3 Lack of motivation within the workplace

Lack of motivation has been identified, as one of the factors, or challenges affecting employees. Human resources are one of the main organizational features for businesses to accomplish their goals. In order to achieve the goals of the organization, employees must be highly motivated. When employees are highly motivated, change in attitude occurs, and they get committed to their jobs and focuses on building the organization . (Gérard B., 2017)

Improving employee engagement is one of the key ingredients for achieving high performance. Research shows that highly engaged employees perform 20% better and that those organisations with the most engaged employees are, on average, 22% more profitable. Therefore, it makes sense that we should design performance management system to improve employee engagement as much as possible. "SAINCO" needs to focus on Employee Engagement and Employee involvement to enhance performance and achieve competitive advantage .

4. EMPLOYEE ENGAGEMENT AND EMPLOYEE INVOLVEMENT :

4.1 DEFINITION OF EMPLOYEE ENGAGEMENT :

Employee engagement is "the harnessing of organization members' self to their work roles," according to Kahn (1990). When performing a part, people engage in engagement by using their bodies, minds, and emotions. Employee engagement's cognitive component focuses on workers' perceptions of the company, its executives, and their working environment. The physical efforts people make to fulfill their responsibilities are the subject of the physical component of employee engagement.

Maslach and Leiter (1997) originally defined " engagement as a concept composed of three elements - energy, involvement, and efficacy - each being the direct opposite of one of three burnout dimensions: emotional exhaustion, depersonalization, and lack of efficacy, respectively." (Byrne, 2022).

4.2 IMPORTANCE OF EMPLOYEE ENGAGEMENT IN SAINCO:

"Employee engagement is worthwhile pursuing, not as an end in itself, but as a means of improving working lives and company performance," argued Purcell (2013: 247). The advantages of interaction were elucidated by Guest (2009: 1):

Positive attitudes and behaviors on the part of employees—such as low labor turnover and absence and high citizenship behavior—as well as indications of perceptions of fairness, trust, and a positive exchange within a psychological contract where two-way promises and commitments are fulfilled—will be signs of employee engagement.

According to Alfes et al. (2010), motivated workers outperform unmotivated workers in terms of performance and inventiveness, are more inclined to desire to stick with

their employers, experience higher levels of personal well-being, and believe that their workload is more manageable. (Armstrong, 2021)

4.3 EMPLOYEE ENGAGEMENT STRATEGIES FOR SAINCO:

we have discussed the evolution and definition of employee engagement, the factors that affect it and importance of employee engagement explaining how it is linked to business performance. In order to have engaged employees in SAINCO organization, managers need to look at the following points.

1. **Start it on day one:** Most organizations do have clear new talent acquisition strategies. However, they lack employee retention strategies. Effective recruitment and orientation programs are the first building blocks to be laid on the first day of the new employee. Managers should be careful in pooling out the potential talent of the new employee through effective recruitment. The newly hired employee should be given both general orientation which is related to the company mission, vision, values, policies and procedures and job-specific orientation such as his/her job duties, and responsibilities, goals and current priorities of the department to which the employee belongs in order to enable him/her to develop realistic job expectations and reduce role conflict that might arise in the future.
2. **Start it from the top:** Employee engagement requires leadership commitment through establishing clear mission, vision and values. Unless the people at the top believe in it, own it, pass it down to managers and employees, and enhance their leadership, employee engagement will never be more than just a “corporate fad” or “another HR thing”. Employee engagement does not need lip-service rather dedicated heart and action-oriented service from top management. It requires “Leading by Being example”.
3. **Enhance employee engagement through two-way communication:** Managers should promote two-way communication. Employees are not sets of pots to which you pour out your ideas without giving them a chance to have a say on issues that matter to their job and life. Clear and consistent communication of what is expected of them paves the way for engaged workforce.
4. **Give employees appropriate training:** Help employees update themselves increasing their knowledge and skills through giving appropriate trainings. Generally, it is understood that when employees get to know more about their job, their confidence increases there by being able to work without much supervision from their immediate managers which in turn builds their self-efficacy and commitment.
5. **Have strong feedback system:** Companies should develop a performance management system which holds managers and employees accountable for the level of engagement they have shown. Conducting regular survey of employee engagement level helps make out factors that make employees engaged. (Markos & Sridevi, 2010)

4.4 EMPLOYEE INVOLVEMENT:

According to Mitchell (1973), “employee involvement deals with sharing decision making authority between management

and workers in the work situation.”Employee involvement has been defined in different ways by various authors. According to Kumari and Kumari (2014),

“employee involvement is the process of by which employees are empowered to partake in managerial decision making and improvement activities suitable to their ranks in the organization.” Agyeman (2012) see “employee involvement as a management viewpoint on how to enable the employees to contribute to organizations’ continuous improvement and success.”

4.5 BENEFITS OF EMPLOYEE INVOLVEMENT ::

There are many benefits associated with employee involvement in organizations. When managers involve employee in a planned change, employees always employ ingenuity and dedication in other to see that the responsibility entrusted to them succeed. In some instances, they create their own sanction against those who are not co-operating and see it as personal challenge to succeed .

Employee involvement enables the employer to develop and use the skills and knowledge of the employees in different organizational areas and processes to improve organizational performance. It give employees the opportunity to develop the suitable knowledge and requisite skills needed for organizational tasks.

Employee involvement enables the employer to develop and use the skills and knowledge of the employees in different organizational areas and processes to improve organizational performance. It give employees the opportunity to develop the suitable knowledge and requisite skills needed for organizational tasks. (Obiekwe, Zeb-Obipi, & Ejo-Orusa, 2019)

5.RECOMMENDATIONS :

- ☐ According to the study's recommendations, managers and staff should receive appropriate training on the performance management cycle.
- ☐ The results of this study suggest that managers and staff should receive appropriate training on the performance management cycle in accordance with their key performance indicators. The performance management system's stated goals and objectives, as well as how it will be used in the SAINCO, should be the main topics of the training. (Kaupa and Atiku, 2020)
- ☐ This study suggests broadening the performance management system's marketing and communication to managers and staff in order to address the issue of inadequate performance feedback. Ensuring that managers and staff

understand the anticipated standards of job results inside the organisation requires effective communication.

- Positive results can be achieved by providing adequate people with the resources they need to implement the regulatory performance management system. Policy review includes measuring policy outcomes, and it is crucial to follow this process precisely. (Kaupa and Atiku, 2020)

6. **CONCLUSION:**

In summary, Sainco urgently needs to enhance its performance management system for a competitive edge. Essential steps involve introducing novel approaches, grasping PMS fundamentals, and addressing organizational and employee concerns. By concentrating on engaging and involving employees, Sainco has the potential to significantly enhance overall performance, considering research indicates higher engagement leads to increased profitability. Understanding workplace motivation is pivotal for Sainco to encourage voluntary and optimal work efforts.

The study emphasizes the vital role of offering thorough training on the performance management cycle for both managers and staff, aligning with key performance indicators and emphasizing system goals within Sainco. To tackle the problem of insufficient performance feedback, it is crucial to expand communication about the performance management system to all levels of the organization, ensuring a shared understanding of expected job result standards.

Furthermore, the study underscores the importance of allocating sufficient resources to effectively implement the performance management system. Rigorous policy review, including outcome measurement, is crucial, and adherence to this process is pivotal for positive results. Essentially, Sainco's emphasis on training, communication, and resource provision will contribute to an efficient performance management system, ultimately fostering employee engagement and securing a competitive advantage in the market.

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