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NEW PERFORMANCE MANAGEMENT APPROACH FOR SAINCO

Abstract

Purpose of the Report:

Clarifying new performance management strategies for sustainable competitive advantage.

Design and Approach:

Based on the methodology, the investigation has been performed to spot weaknesses of performance management approaches in the traditional retail business model and support strategic decision-making via progressive PM tactics.

Findings:

The author provides evidence of poor performance management's impact on the organization and employees' well-being and suggests ways of improvement.

Value of the Report:

Performance awareness.

Table of content

1. Introduction. [p.5]
2. Performance Management – More Than Appraising Employees. [pp.6-10]
 - What is Performance Management? [p.6]
 - Purpose of Performance Management. [p.6]
 - Issues and Factors Affecting Performance. [pp.6-8]
 - Consequences of Poorly Designed and Implemented Performance Management. [pp.8-9]
 - Appraisal and Feedback. [p.9]
 - From Scientific Management... [p.10]
3. Employee Engagement and Employee Involvement. [pp10-14]
 - Maslow's Hierarchy of Needs. [pp.11-12]
 - Motivation- Extrinsic and Intrinsic. Expectancy Theory. [pp.12-13]
 - Psychological Contract. [pp.13-14]
 - Mindset. Theory of Fixed and Growth Mindset. [p.14]
4. Modern Performance Management Concepts and Practices. [pp.14-16]
 - Strategic Performance Management. [p.14-15]
 - PRR- Pay and Reward, Recognition. [pp.15-16]
 - Managing Underperformance. [p.16]
5. Recommendation. OCB (Organizational Citizenship Behaviour). [pp.16-17]
6. Conclusion. [p.18]
7. List of References. [pp.19-20]
8. List of Bibliographies. [p.20]

1. Introduction.

Performance in an organizational environment is an outcome shaped by the complex interplay of employee competencies, motivational dynamics, and opportunities offered. SainCo, a respected retail enterprise characterized by a family heritage and an autocratic management ethos, is challenged to modernize its performance management (PM) techniques and approaches, thereby ensuring competitiveness in today's business landscape. With a workforce of 2,000 employees across multiple locations within the United Kingdom, SainCo's deep-rooted traditionalism dictates a strategic shift toward adopting progressive Performance Management concepts.

In an ever-changing landscape of organizational dynamics, the need to optimize performance management strategies and support employee engagement has never been more crucial. That report thoroughly examines performance management aspects, going beyond routine employee evaluations. It examines the underlying purpose, the challenges at the corporate and individual levels, the factors that elaborately influence performance dynamics, and the harmful consequences that result from suboptimal PM design and implementation. An in-depth analysis of the strategic assumptions behind performance management explains how it accelerates organizational success by aligning with broad goals and supporting employee development. The consequences of poorly designed and implemented performance management explore the potential traps of inadequately organized and executed performance management systems, highlighting the need for precision and customization. Integral elements of employee appraisal and the importance of providing constructive feedback as a critical factor of continuous improvement are also mentioned. The author of that comprehensive report carefully charts the historical trajectory of managers' interests, moving from scientific management to the ideal of managing interpersonal relationships. Scanning of key elements of employee engagement, such as Maslow's hierarchy of needs, psychological contract, expectancy theory, and intrinsic and extrinsic motivation, is presented as a driving force influencing attitudes and behaviours, shaping the overall employee experience and enterprise synergy. The report explores the impact of mindset on employee performance, the distinction between fixed and growth mindsets, and their implications for organizational success and examines critical performance drivers, highlighting the detrimental impact of poor job fit, knowledge, skill and attitude (KSA) gaps, disinterest and personal issues on organizational performance. Modern performance management concepts and practices are presented, including ethical principles, the strategic alignment of performance management with organizational goals, and the role of pay, rewards and recognition (PRR) as key motivators necessary to support a culture of excellence. The report draws attention to strategies to proactively respond to and correct poor performance, providing a supportive approach that aligns with organizational goals.

Overall, this report provides recommendations, including a strategic focus on evaluating Organizational Citizenship Behaviour as a strategic reference, admitting its potential to enhance organizational culture and contribute to sustainable success.

2. Performance Management – More Than Appraising Employees.

2.1 What is Performance Management?

Performance management, as outlined by DeNisi and Pritchard (2006), covers a wide range of activities aimed at improving employee performance (Armstrong, 2022). According to Armstrong (2022), that is the process of enhancing how well dynamics perform by setting individual and team goals that are consistent with the organization's strategic aims and includes planning to achieve desired objectives, reviewing and evaluating results, and developing the knowledge, skills and abilities of individuals. Thus, performance management involves leadership and administration of business operations (Armstrong, 2022). In their role as performance leaders, line managers articulate the expectations of top-level management by setting direction to subordinates, ensuring that the skills and resources necessary to achieve results are available, inspiring and engaging their team, monitoring progress, providing feedback, coach development skills, and take corrective action as needed (Armstrong, 2022).

2.2 Purpose of Performance Management.

Taking that under consideration, performance management has mainly one fundamental purpose to achieving the organization's goal smoothly and successively. However, as mentioned by Armstrong (2022) in 'Armstrong's Handbook of Performance Management', Shields (2007) states that a reasonably designed and widely adopted performance management system serves a comprehensive, four-fold purpose. First, it is a strategic communication tool that helps to align the organization's goals and objectives (Armstrong, 2022). Secondly, it plays a key role in building relationships within the organization (Armstrong, 2022). Third, the system contributes significantly to employee development by providing a structured framework for improving skills and capabilities (Armstrong, 2022). Finally, it assesses employee performance accurately (Armstrong, 2022). The report explores these dimensions in detail, explaining the complexities of each aspect of a well-thought-out and unquestioned performance management system.

2.3 Issues and Factors Affecting Performance.

EMPLOYEE EXPERIENCE.

In agreement with Maylett & Wride (2017), to achieve sustainable, world-class success, an organization must first cultivate sustainable, world-class employee experiences. The genesis of this endeavour lies in the workforce (Maylett & Wride, 2017). Success is achieved through employees who make a personal commitment to

deliver extraordinary experiences consistently (Maylett & Wride). Thus, a workplace characterized by engaged individuals who feel both respected and appreciated, demonstrating trust in their leaders solid enough to accept risks and invest emotionally in the organization, matters (Maylett & Wride, 2017), and it is beneficial for its potential positive impact on performance management. Therefore, without a core of people committed to delivering outstanding performance, no amount of technology, strategy or systems can prevent an organization from failing (Maylett & Wride, 2017). The point is not only about ensuring a great employee experience but also about building a culture of continuous improvement where people are willing to contribute their best, actively engage in learning and development, and consistently go the extra mile. The importance of this collective commitment goes beyond simple sacrifice; it highlights the vitality of a workforce that not only cares about the quality of the input provided but is also driven by a proactive desire to make a maximum contribution, take advantage of learning opportunities and put in extra effort to ensure the success of the organization.

The era of rapid disruption has created increased unpredictability in the economic landscape; thus, enterprises are becoming increasingly dependent on their employees, which necessitates greater emphasis on workforce competitiveness (Trisninawati et al., 2023). This highlights the expectation that employees must demonstrate commitment and proactivity, raising their performance to meet increased standards (Trisninawati et al., 2023). Therefore, it becomes paramount for organizations to proactively provide significant support to their employees (Trisninawati et al., 2023). Creating a supportive organizational environment promotes employee engagement, aligning their priorities with the organization's goals (Trisninawati et al., 2023), especially in a diverse workforce.

POOR JOB FIT.

LACK OF REQUIRED KNOWLEDGE, SKILLS AND ATTITUDES (KSA).

LACK OF INTEREST.

PERSONAL ISSUES.

In the context of the above-mentioned, factors such as poor job fit, lack of required knowledge, skills and attitudes (KSA) and lack of interest in the assigned role cannot be overestimated. According to the knowledge of the report's author, matching employee competencies and interests to their roles is crucial to optimizing performance in an era marked by rapid change. Poor job fit and inadequacy in KSAs can lead to suboptimal performance, impacting the organization's overall success. When employees lack the skills and knowledge necessary for their roles, tasks will likely to be performed inefficiently. This inefficiency translates into lost productivity as employees struggle to meet job demands, complete tasks, and contribute effectively to organizational goals. Furthermore, inadequate KSAs often result in reduced work quality. Errors, omissions and substandard performance become more common when employees do not have the necessary skills or knowledge to perform their duties effectively. That may adversely affect the quality of products, services or internal processes. People who are not fit for roles may experience frustration and demotivation. The resulting dissatisfaction can lead to lower morale, higher turnover

rates, and an overall decline in employee engagement, further negatively impacting organizational success. From further personal observation of the report's author, poor job fit can even make training and development investments less effective as employees struggle to adapt to their roles. This mismatch between resources and actual performance needs can make it difficult for an organization to achieve an overall return on investment.

Additionally, considering personal issues, especially in the context of the overseas workforce, introduces complexity. Challenges related to cultural adjustments, work-life balance and family considerations can significantly impact employee well-being and productivity. Organizations must address these factors wisely to ensure the success and satisfaction of their employees.

Taking into consideration the survey report done by CIPD in 2023, organizations with 250 or more employees within the UK show much greater use of migrant workers. Employers employ migrant workers mainly because of the challenges of recruiting UK-born people for specific roles (37%) and the difficulty of finding UK-born workers with the necessary technical skills (35%); where a significant proportion believe that migrant workers have hard-to-find technical skills (29%), and associate them with a better work ethic (CIPD, 2023). Lower absenteeism rates among migrants support this view, and some employers also value migrants for their flexibility, willingness to work longer hours and perceived better readiness to work (CIPD, 2023). Therefore, overseas workers play a crucial role in addressing recruitment challenges and meeting the demand for specific skills, underscoring the importance of foreign workers in meeting the diverse needs of employers, thus becoming a zone highly sensitive to control due to their personal circumstances. Being a team of almost 2,000 employees at SainCo, migrants take on a new dimension and importance, especially in a business run in a traditional way with many shortcomings, mainly in terms of the shallow perception of a worker as only labour force and not a human motivated by something more than money.

Moreover, a poor work environment and ineffective communication can exacerbate employee performance challenges. A supportive and enabling work environment combined with clear and transparent communication channels (especially crucial in a diverse multinational workforce) is essential to supporting employee engagement, satisfaction and the overall success of the organization. Comprehensively addressing these aspects is integral to optimizing employee performance and contributing to the organization's continued success in a dynamically changing economic landscape.

2.4 Consequences of Poorly Designed and Implemented Performance Management.

Personal experience of narrative shows that poorly designed performance management can be critically perceived at the workplace as a fraught process involving the setting of inappropriate expectations, routine appraisals, harmful feedback mechanisms, and pressure to undertake development initiatives as an inadequate approach toward organizational goals. Although ostensibly intended to align individual efforts with organizational goals, it may be criticised due to its risk of

creating stress, fostering a culture of competition rather than cooperation, and relying on subjective judgments in evaluations.

Any performance management system will produce both intended and unintended results (Franco-Santos & Otley, 2018). For instance, according to Franco-Santos & Otley (2018), directive systems, including setting pressure targets, measuring employees' effectiveness, proceeding with individual reviews, and incentive pay, can result in facts manipulation, selective attention, the illusion of control, and the transformation of social relationships at workplace. This is due to indirect messages from management suggesting the need for strong oversight due to lack of trust in employees (Franco-Santos & Otley, 2018). It is crucial to consider that the managerial level may have incomplete knowledge of the organization, its context and human resources (Franco-Santos & Otley, 2018). Errors may occur when analysing an organization or selecting control mechanisms adapted to organizational conditions (Franco-Santos & Otley, 2018). Sudden or short-term pressures can lead to disregard for long-term effects, biases rooted in certain values or principles can influence decisions, and personal beliefs can lead to self-fulfilling predictions (Franco-Santos & Otley, 2018). Due to these curb factors, managers make decisions about creating performance management systems that may not be fully adapted to the intended situations, and as a result, they are unable to predict all probable outcomes, leading to potential problems and unintended consequences (Franco-Santos & Otley, 2018).

2.5 Appraisal and Feedback.

Therefore, assessment and feedback processes must be conducted with conscious sensitivity to ensure their effectiveness and avoid negative consequences. When performed correctly, these operations contribute to employee development, motivation and organizational success. Based on the personal opinion of the report's author, conducting appraisal and feedback processes with conscious sensitivity is crucial to promote a positive work culture, maintain the employee morale and achieve positive outcomes for both individuals and the enterprises.

Returning to methodology, performance reviews involve assessing individual performance (Armstrong, 2022). Superiors provide feedback and discuss progress toward work and development goals, collaboratively agreeing on plans for skill development and, if needed, strategies for performance improvement (Armstrong, 2022). The traditional approach to formal reviews typically involves one or two meetings per year, which has been criticized for its emphasis on past performance, reliance on top-down judgments, managerial lack of enthusiasm, excessive bureaucracy, time consumption, and both superiors' and subordinates' demotivation resulting from ritualistic appraisal meetings (Armstrong, 2022). That approach is one of the disadvantages of businesses, such as SainCo, that rely on traditional strict forms of managing performance. Modern appraisal systems include 'performance conversations' as 'check-in' events, which ideally focus on constructive and forward-looking discussions about how individuals perform and their achievements, and emphasize the future rather than dwelling on past episodes (Armstrong, 2022, p. 108); thus, ensuring sensitivity in terms of employee experience leading improved performance.

2.6 From Scientific Management...

In the late 19th century, detailed research was carried out in the US on the relationship between scientific management and work, addressing research issues regarding early Taylorism introduced by Frederick Winslow Taylor (Kelly, 2016). Taylor brought the revolution by introducing scientific methods of creating patterns and disciplines in management, emphasizing profit maximization through controlled procedures, training and monetary incentives under managerial supervision (Kelly, 2016). The investigations included such issues as whether scientific management led the workforce to adopt habits of rushed and speedy work as a system of rewards and punishments, whether it deprived workers of opportunities for rest, recreation, and social contact during working hours, whether it pushed employees beyond their physical and nervous endurance to the point of exhaustion, and whether time and motion studies applied to scientific management pose a direct challenge to the fairness, justice and dignity of workers (Kelly, 2016). In summary, it leaves no doubt that Taylorism was perceived as fundamentally authoritarian, anti-worker and oriented towards managerial control (Kelly, 2016).

Since then, enterprises often tend to focus on individuals, not realizing that performance and results are influenced by a larger system... a system that covers both the work itself and the people who create the workplace (Nel, 2016). For excellent performance, these parts must fit together, and managers should analyse the factors that influence performance; instead of simply suggesting training for underperforming staff, managers should take a comprehensive approach to performance management (Nel, 2016). That comprehensive approach to performance management involves considering a variety of factors beyond individual employee performance. These include the overall values, beliefs and behaviours of the organization; the leadership approach adopted by managers; physical and cultural aspects of the workplace, such as collaboration opportunities and organizational climate; team interactions and communication; appropriate provision of tools, technologies and resources needed to complete tasks; level of commitment, satisfaction and motivation as well as flexible working conditions and a supportive approach to work-life balance. Known as career changers, millennials need immediate feedback, appropriate assistance, transparent processes and a culture that values their contributions (Nel, 2016). Traditional productivity systems have become too bureaucratic, and organizations must adapt to the preferences of today's employees (Nel, 2016). A modern comprehensive approach to performance management involves recognizing and addressing various factors mentioned above to create an environment conducive to optimal worker and organizational performance.

3. Employee Engagement and Employee Involvement.

Employee engagement and employee involvement are fundamental concepts in organizational management due to their massive impact on overall performance and success. The report's author believes that employee engagement goes beyond simple

job satisfaction; it reflects employees' emotional bond and commitment to their work and the organization. Engaged employees are typically more dedicated, motivated and connected to the organization's mission, which contributes to increased productivity and a positive work culture. Employee involvement, on the other hand, means actively involving individuals in decision-making processes and getting them to participate in organizational matters. That approach not only recognizes the diverse skills and perspectives of the workforce but also fosters a sense of responsibility and power among employees. Actively engaged employees feel a deeper connection to the company, which leads to higher job satisfaction, improved morale, and a more collaborative work environment.

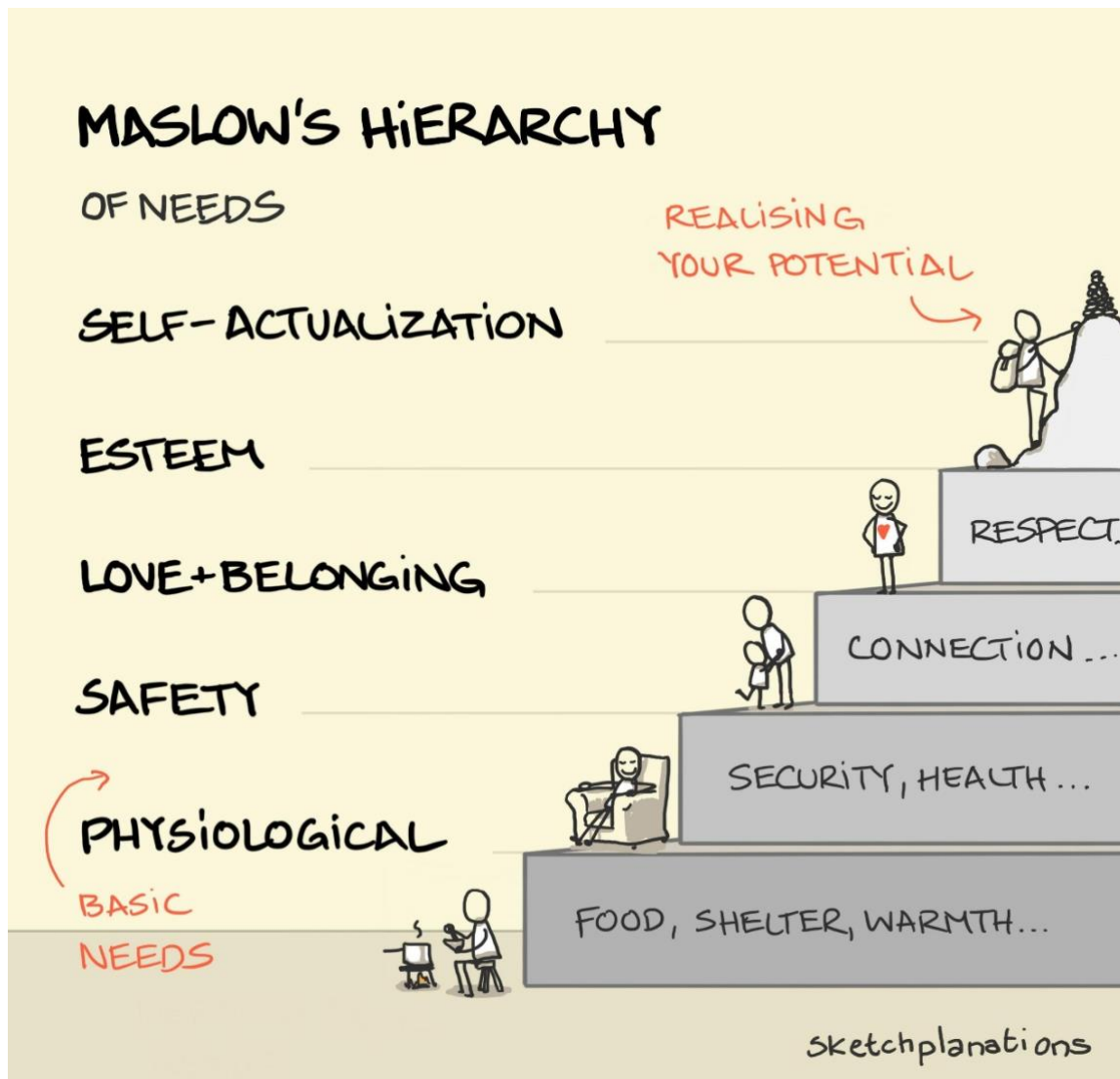
The report's author trusts that employee engagement and employee involvement are key elements in achieving organizational goals as engaged and participating employees are more likely to demonstrate higher levels of innovation, commitment and loyalty. This, in turn, translates into better overall performance, greater ability to adapt to change and increased competitiveness in a dynamic business landscape. Therefore, a strategic focus on cultivating and supporting employee engagement is fundamental to businesses that want to thrive and succeed in today's professional environment. Obtaining optimal performance becomes impossible when an organization uses traditional performance management, relying on incentives and monetary pressure, as observed in SainCo's practices. It is clear enough that this approach did not bring the company any noticeable success, limiting its ability to achieve a competitive advantage.

3.1 Maslow's hierarchy of needs.

Maslow's hierarchy of needs, the motivational theory introduced by Maslow based on concepts of the scale of needs over several decades (McLeod, 2018), is crucial to achieving employee engagement. The approach recognizes peoples' variety of needs, from basic survival to higher-level aspirations, where the satisfaction of needs at lower levels of the hierarchy is a prerequisite for individuals to be able to meet higher-level needs (McLeod, 2018). Therefore, by meeting these needs in the workplace, organizations can increase employee satisfaction, motivation and overall engagement, contributing to a more productive and positive work environment. In agreement with McLeod (2018), every person strives for self-actualization, but progress is often disrupted by unmet lower-level needs. Life experiences, both personal and professional, can cause individuals to move between different types of needs in a non-linear way (McLeod, 2018).

Understanding the non-linear nature of individuals moving between different types of needs in Maslow's hierarchy is important in performance management. Effective performance management is aware of this dynamic nature and addresses the diverse needs of individuals to support engagement, motivation and overall job satisfaction. The report's author believes that spotting employees' need for movement between different levels in the hierarchy allows for a more diverse and flexible approach to performance management strategies. For instance, overseas workers may have a sharp concern for job security, belonging, and recognition, while the home-based workforce may prioritize autonomy, work-life balance, and personal development.

For SainCo, as a company that employs 2,000 people and strives to be competitive, understanding the diverse needs of its workforce is crucial. This approach not only contributes to creating a positive workplace culture but also ensures the company's competitiveness by adapting to the diverse aspirations of its employees. Balancing job security, recognition, autonomy, work-life balance and personal development within performance management provides a holistic and flexible approach to support competitive advantage in a dynamic business environment within the UK.



Source: Sketchplanations (2023)

3.2 Motivation- Extrinsic and Intrinsic. Expectancy Theory.

Victor Vroom, in his Expectancy Theory from 1964, posits that individuals are motivated to act in a certain way by the belief that their efforts will lead to the desired

outcome and that this action will produce a valuable outcome (Aldrich & Pullman, 2019). This theory supports the idea that employees act according their expectations, expecting their efforts to produce specific, significant results in the workplace.

Employee motivation plays a paramount role in driving high employee performance, where motivated individuals not only demonstrate exceptional skill at work but also contribute to the spread of knowledge, strengthen determination and serve as role models for their colleagues (Kalhor et al., 2021). Motivation, broadly described as the internal characteristics that stimulate the workforce to take specific action, serves leaders as a technique used to maintain advantageous working conditions and achieve results in an efficient and effective manner (Kalhor et al., 2021). Different people are motivated by different factors, either intrinsic or extrinsic, as has been spotted and expanded by Porter & Lawler (Aldrich & Pullman, 2019). Intrinsic motivation refers to internal factors such as personal satisfaction, enjoyment of a task, or sense of purpose. That stimulus involves doing something for the inherent satisfaction and fulfilment it provides. On the other hand, extrinsic motivation includes external factors that influence behaviour, such as rewards, recognition or avoidance of punishment. Thus, individuals engage in an activity not necessarily because they find it properly rewarding but because of external stimuli or consequences. Personality traits, especially those related to motivation, significantly impact on an individual's response to various stimuli (Aldrich & Pullman, 2019). Leaders must understand the shades of the motivational drivers that influence employees' behaviour, enabling them to create a workplace environment and external brand message that is beneficial to encourage an exceptional workforce (Aldrich & Pullman, 2019). Significant, careful examination of the reward structure determines its suitability for the intended purpose (Aldrich & Pullman, 2019). SainCo must be aware that it is not only money that drives people's motivation. Traditional performance management 's monetary reward and punishment no longer works in today's world, and it certainly should not, mainly for ethical reasons.

3.3 Psychological Contract.

Understanding what motivates individuals to join, stay, and contribute their best efforts is critical for organizations (Aldrich & Pullman, 2019), especially those striving for competitiveness through the workforce. It allows them to adapt their strategies and create an attractive work environment that attracts top talent and retains valuable employees (Aldrich & Pullman, 2019). In agreement with Aldrich and Pullman (2019), when people are truly engaged at work, they become fully engaged in their roles, bridging the gap between their professional and personal selves, contributing to building strong organizations through innovation, better decision-making and increased productivity. This strong emotional connection highlights the importance of the psychological contract. The psychological contract refers to the unwritten, hidden expectations and beliefs that both employees and employers have regarding each other's responsibilities and obligations in the workplace (Aldrich & Pullman, 2019). This agreement carries weight on trust and the overall relationship between employees and employers. Interactions at this stage influence employees' perceptions and directly impact their performance (Aldrich & Pullman, 2019). If employees' expectations are

unmet or breaches are observed, such as unfulfilled promises, this can break down trust, negatively impacting employee morale and performance. Thus, the psychological contract profoundly shapes workplace dynamics and individual contributions.

3.4 Mindset. Theory of Fixed and Growth Mindset.

It is undoubtedly worth emphasizing the concept introduced by Carol Dweck regarding the type of thinking. The study found that people with a fixed mindset did not tend to seek out information that could facilitate learning, even in the face of mistakes. 'People in a growth mindset don't just seek challenge, they thrive on it. The bigger the challenge, the more they stretch. For them (...) it's about learning something over time: confronting a challenge and making progress' (Aldrich & Pullman, 2019, p. 93). The concept of mindset, particularly the huge differences between a fixed and growth mindset, is fundamental in performance management because understanding how employees think can provide insight into how they approach challenges, mistakes, and learning opportunities. Employees with a fixed mindset may resist challenges, avoid risks, and be less open to learning from their mistakes. In the context of performance management, this way of thinking can limit or even block the ability to adapt and take on new tasks or skills. On the other hand, employees with a growth mindset actively seek out challenges, view mistakes as learning opportunities, and are motivated to develop their skills. As part of performance management, supporting a growth mindset can lead to increased resilience, innovation, and a willingness to improve continuously.

The report's author suggests that recognizing and encouraging a growth mindset through performance management practices such as appraisal procedures, feedback, and goal setting can help create a more adaptive and productive work environment. It encourages employees to view challenges as learning opportunities, which ultimately improves their performance and contributes to the organization's overall success.

4. Modern Performance Management Concepts and Practices.

4.1 Strategic Performance Management.

Strategic performance management (SPM) involves measuring and managing enterprise performance by defining the necessary processes, metrics and systems for assessing the business network's performance (Akhtar & Sushil, 2018). It has evolved from basic, financially focused systems to strategically aligned, multi-dimensional performance management (Akhtar & Sushil, 2018). Traditional approaches emphasise financial aspects and productivity, while modern PMSs focus primarily on strategic perspectives and include performance measures or key performance indicators (KPIs)

to quantify the efficiency, productivity, quality and effectiveness of organizational activities (Akhtar & Sushil, 2018) in terms of sales value, the volume of complaints, wastage or defective factors (Armstrong, 2022). The information generated by the system must be precise, relevant, timely and close at hand to those who need it (Akhtar & Sushil, 2018). Strategic performance management is critical to competitiveness as it aligns an organization's efforts with strategic goals, ensuring that resources (especially human capital) are used effectively to achieve key goals. SPM helps organizations allocate assets wisely, directing investments and efforts toward initiatives that align with strategic priorities and enhance competitiveness. By quantifying performance and productivity measures, SPM helps identify areas for improvement, streamline processes, and increase overall operational efficiency. Employees should actively participate in this process, thoroughly understand their responsibilities, assess their competencies, and be conscious of tracking their progress (Armstrong, 2022). Clear expectations and clear communication foster a comprehensive understanding of the organization's goals, enabling the workforce to make a significant contribution to achieving the desired destination (Armstrong, 2022). It is essential to note that line managers play a key role in facilitating and guiding employees through this process, which ensures that individual efforts are aligned with the overarching organizational goals, contributing to a culture of continuous improvement and achievement.

4.2 PRR- Pay, Reward and Recognition.

PRR, or 'Pay, Reward and Recognition', emphasizes the importance of these elements in increasing motivation and performance. It involves assessing the behaviour, productivity and efficiency of individuals and groups (Armstrong, 2022). By combining fair pay, rewards and effective recognition, organizations strive to inspire their employees to achieve greater individual and team performance. That simple approach, although according to the report's author, not ethical due to using rewards as bait, considers the impact of both financial incentives and recognition in creating a motivated and productive workforce. Performance management involves recognizing employees' achievements, strengths (Armstrong, 2022), engagement and mindset. Providing feedback and referring to individual's accomplishments or behaviours inform about their action's effectiveness (Armstrong, 2022). Expressing gratitude through both formal and informal channels, fair pay, and rewards is a way to acknowledge their beneficial contributions to the company (Armstrong, 2022).

In agreement with Madhani (2020), organizations around the world strive to retain professionals. Replacing already skilled workers is extremely expensive, and retaining a competent workforce is fundamental to business success (Madhani, 2020). With a workforce of 2,000 people in business focused on being competitive in the marketplace, rewards and recognition are key factors leading to employment stability and improving performance management. While rewards attract people to achieve desired outcomes, recognition maintains motivation (Madhani, 2020). However, for optimal outcomes, recognition must be combined with rewards as rewards by foreshadowing future benefits and have the power to influence employees' behaviours externally (Madhani, 2020). Therefore, implementing effective compensation and

recognition systems becomes crucial to improve employee engagement and work performance (Madhani, 2020). That dual approach is essential to fostering the competitive advantage of SainCo.

4.3 Managing Underperformance.

Poor job performance can affect employees in various ways, leading to lower self-esteem, physical and mental health problems, reduced motivation and an increased desire to leave the workplace (Pindek, 2020). It is crucial to recognize that poor performance requires a thorough examination of the issues, challenges and deficiencies that exist at both the organizational and individual levels (Armstrong, 2022). A close look at the entire enterprise and each team member within helps truly understand why results may not be as expected. If deadlines are always missed, it may be unfair to blame individuals rather than investigate carefully for more significant problems such as insufficient resources, unclear communication, or wrong processes. Focusing mainly on workforce performance shortcomings can lead to unfair practices and reduce employee satisfaction and motivation, thus overall performance. In an example of SainCo's sales team that often falls short of its goals, the root cause may not necessarily lie in individual sellers. By looking deeper, the organization can discover that it has set its goals too high so SainCo need to rethink what the company expect from a team and clearly present targets' components and desired realistic outcomes. In agreement with Pindek (2020), it is worth to consider that personal characteristics play a big role in underperformance too. For instance, if someone tends to see the world in a negative light and often feels depressed, they are more likely to perceive stressful situations as more serious, affecting their performance at work (Pindek, 2020). On the other hand, people with high perfectionism are too critical of themselves, which can lead to stress and burnout (Pindek, 2020). Although perfectionism is associated with high performance, it is also associated with lower self-esteem, negatively affecting daily work performance due to emotional exhaustion (Pindek, 2020). Helping employees improve or cope with poor performance and building ethical workplace culture benefits both the individual and the organization. When problems arise in day-to-day operations, it is vital to deal with them as part of strategic management processes (Armstrong, 2022). Therefore, to solve performance issues, different approaches should be explored, such as formal meetings, informal discussions, regular reviews in terms of improvement, setting clear expectations, developing skills, changing attitudes, and offering more support from managers (Armstrong, 2022).

5. Recommendation. OCB (Organizational Citizenship Behaviour).

For many years, the prevailing opinion in executive psychology was that job satisfaction and performance were unrelated (Organ, 2018). However, as mentioned by Organ (2018), who developed the context of 'employees' extra-role behaviour in the workplace' previously observed by Katz and Khan in 1966 (Ocampo et al., 2018,

p. 821), recent evidence suggests a change in this perspective, and although job satisfaction may not directly correlate with individual task productivity, it appears to have a stronger relationship with another form of employees' contribution called organizational citizenship behaviour (OCB). This (OCB), in turn, is closely related to elements such as 'culture, attitudes, personality, mood state, stress and, in particular, organizational performance' (Organ, 2018, p. 295).

Organizational citizenship behaviour (OCB) refers to the discretionary actions or behaviours of employees that go beyond official profession requirements and positively contribute to the overall functioning and successfulness of the organization. In a culture that values teamwork, collaboration, and a positive work environment, employees are more likely to engage in behaviours that contribute to collective success, such as helping co-workers or volunteering to perform additional tasks (Ocampo et al., 2018). Satisfied and engaged employees are likelier to demonstrate behaviours that support the organization beyond basic job duties. Employees with conscientiousness, agreeableness, and proactivity are more likely to voluntarily engage in behaviours that benefit the organization. When employees engage in behaviours such as helping co-workers, providing constructive suggestions, or participating in activities beyond their formal roles, it creates a positive work environment and supports the organization's goals.

In today's business landscape, where the industrial market becomes extremely competitive, organizational citizenship behaviour (OCB) becomes important for improving how organizations operate and manage performance through employee behaviour (Ocampo et al., 2018). Because organizational tasks often require teamwork, OCB is crucial for goals that require cooperation among team members (Ocampo et al., 2018), leading to their high performance. In the field of workforce management, ethical approaches are crucial to support a positive and inclusive workplace culture. Understanding the unique perspectives and concerns of individuals within an organization is fundamental. Recognizing and rewarding behaviour, providing necessary support and offering training when needed contribute to the creation of that managing performance through behaviour framework. Moreover, listening to individuals at all levels is critical because those on the front lines often have valuable insights that may go unnoticed at the highest levels of management. This holistic approach ensures ethical practices and fosters cooperation and respect among employees.

Promoting organizational citizenship behaviour (OCB) is a valuable recommendation for improving performance management in SainCo. Encouraging employees to engage in OCB involves promoting behaviours that go beyond formal job requirements and positively contribute to the organization's general functioning. In a retail environment where customer satisfaction and organizational reputation are paramount, OCB can play a significant role in achieving success. Including OCB as the main and crucial performance management recommendation in the retail industry not only increases employee engagement but also positively impacts organizational performance, ultimately contributing to sustainable success in a competitive marketplace.

6. Conclusion.

Optimizing performance management strategies and supporting employee engagement in today's dynamic organizational landscape is crucial for every business striving for competitive advantage. Moreover, employee engagement and the profound impact an enterprise has on their attitudes and behaviours through various psychological tactics and ethical approaches, ultimately shape the overall employee experience and support enterprise synergy, which has a key impact on performance.

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