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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 :**

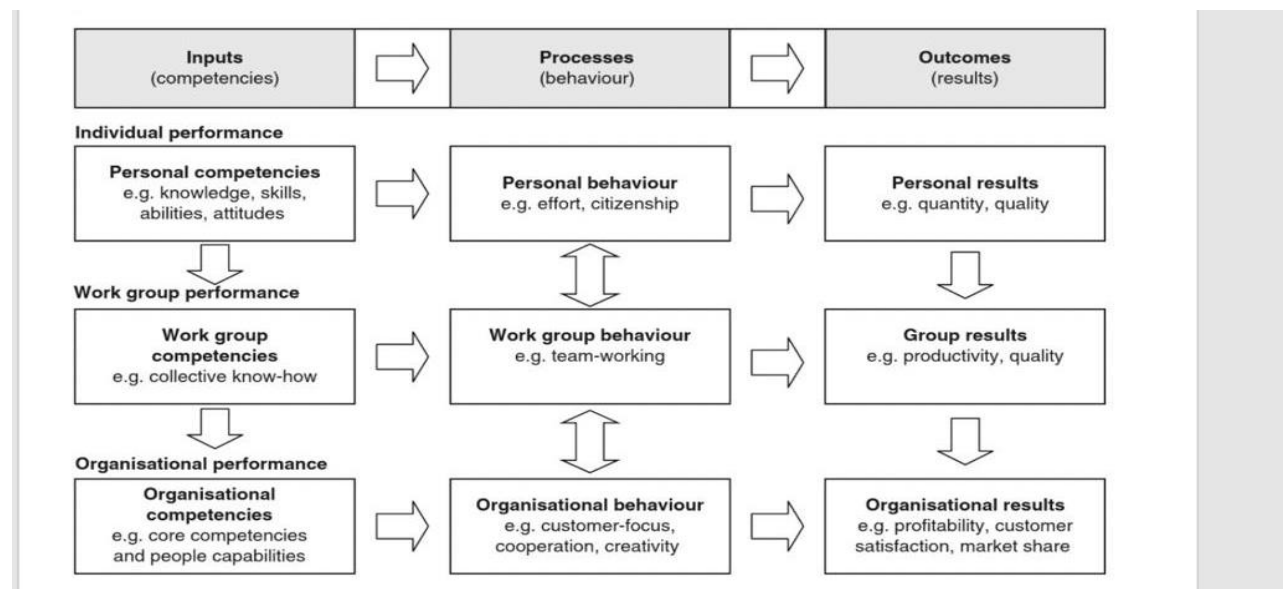
Prior to implementing novel techniques and procedures in performance management to gain a competitive edge in the marketplace, it is critical for "SAINCO" to comprehend the meaning and scope of performance management, as well as its goals and guiding principles, as well as the variables that may influence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

- "Inputs" encompass a variety of tangible and intangible resources, along with the expertise, abilities, and attitudes of staff members, collectively referred to as talents and attitudes.
- "Throughputs" pertain to human resource activities, involving actions that transform inputs into outcomes, such as work effort and other essential behaviors.
- "Outputs" are outcomes associated with work behavior, representing the tangible results achieved. Consequently, an employee contributes their knowledge, skills, talents, and attitudes as inputs, which are then applied through effort and corresponding work behaviors. Ultimately, within a specified timeframe, the employee generates a specific quantity of goods or services characterized by a particular level of quality (Shields et al., 2015).



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

## 2.2 DEFINITION OF PERFORMANCE MANAGEMENT

While the term "performance management" carries various interpretations, its fundamental concept involves a range of management activities geared towards enhancing performance and rendering it more controllable. Diverse perspectives, including those from strategy, organizational behavior, operations management, economics, accounting, and human resources management, can be applied to this concept. Many individuals characterize performance management as a comprehensive process that entails managers collaborating with staff members to set objectives, monitor and evaluate performance, establish improvement strategies, and occasionally recognize commendable efforts (Den Hart et al., 2004). This process involves coordinating several interrelated human resources tasks, such as performance evaluations, training and development, onboarding, and performance-

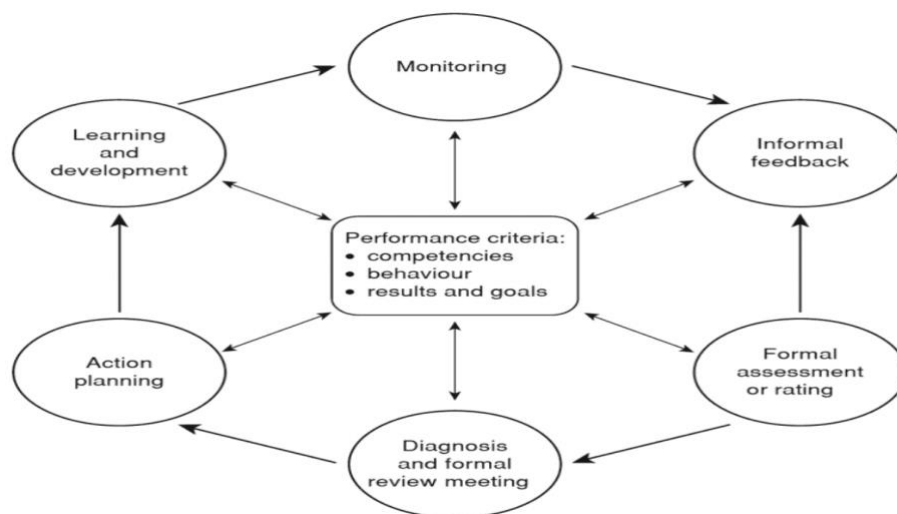
linked compensation, with the overarching objective of influencing both individual and organizational performance. (Hutchinson, 2013)

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)

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                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The chance to:</p> <ul style="list-style-type: none"> <li>• combine personal, team, and organizational goals.</li> <li>• direct individual and team endeavors towards fulfilling broader business requirements.</li> <li>• inspire and involve employees.</li> <li>• acknowledge individual contributions.</li> <li>• strategically plan individual career paths..</li> </ul> | <p>They will:</p> <ul style="list-style-type: none"> <li>• understand the expectations set for them.</li> <li>• have clarity about their current position.</li> <li>• recognize the actions required to attain their goals.</li> <li>• be provided with opportunities for skill development and career advancement.</li> </ul> |

**Table 1 :**

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

The primary objective of performance management is to facilitate individuals and the organization in attaining exceptional performance. "High performance" is defined as surpassing challenging goals related to growth, earnings, customer service, productivity, quality, and shareholder value.

Specifically, performance management aims to enhance strengths, communicate expectations, enhance individuals' capabilities, and provide the necessary support

and guidance for individuals to realize their fullest potential and contribute outstanding performance for the benefit of both the organization and themselves.

Performance management addresses subpar performance in a positive manner by equipping individuals with the tools needed to enhance their output or utilize their skills more efficiently (Armstrong & Baron, 2005).

## **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 promotes performance self-management on an individual basis.
- It requires a management approach characterized by honesty and transparency, fostering open communication between leaders and their subordinates.
- 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 INVOVEMENT :**

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., 2008).

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 (Thompson, Scott and Martin, 2017).

### **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 MANAGEMENT AND HUMAN RESOURCE MANAGEMENT :**

The primary emphasis of academic research in the field of Human Resource Management (HRM) in recent decades has been on examining the correlation between HRM and organizational success . The Chartered Institute of Personnel and Development (CIPD) confidently asserted in 2001 that there is "no room to doubt that a clear link between people management and performance exists" (CIPD, 2001-4).

Two prominent approaches, "best fit" and "best practice," have significantly influenced this research, with a novel contribution stemming from 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 holds a pivotal role in employee performance, both theoretically and from a managerial standpoint. "SAINCO" aspires to foster an environment where individuals are motivated to work willingly and to the best of their abilities. However, effectively eliciting this effort poses one of the most challenging dilemmas for organizations.

Those who try to quantify employee motivation in the workplace find that the concept is complex and difficult to measure directly. Motivation, which comes from the Latin word "motus," which means "motion" or "movement," is the effort or energy a person puts into a task. But it goes beyond just working hard. Motivation is described as the "internal forces that impel action and the external factors that can act as inducements to action" by Locke and Latham (2004). Put more simply, it includes everything that influences and draws people to act in particular ways. While internal variables include forces that are inherent to the person, such as personal desires and motives, external factors can include rewards and the nature of the task. Three things are influenced by motivation:

- Direction or choice – what a person aims to accomplish
- Effort or intensity – how strenuously a person endeavors
- Duration or persistence – the duration of a person's effort (Hutchinson, 2013).

Theories of Motivation:

By taking into account the "needs" people try to satisfy, such as achieving goals, securing a stable life, or maintaining a minimal standard of living, content theories essentially investigate the motivators. These ideas make an effort to clarify the motivations underlying certain behaviours. Important theories include the following:

- 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, has similarities to earlier ideas but suggests an escalating hierarchy of demands instead of a single source of motivation. It is commonly represented as a pyramid and consists of five categories of demands ranked according to importance: The five basic needs that humans have are: physiological; these include the need for warmth, food, drink, shelter, and sleep; safety; social; these are the needs for love, connection, and safety in society; esteem; these are the needs for respect, self-worth, and acknowledgment from others; and self-actualization, which are sometimes referred to as 'ego' needs separately (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 vironment 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)

### 2.8.1 PROCESS THEORIES OF MOTIVATION ;

Process theories seek to elucidate the cognitive processes through which individuals make decisions that lead to motivation, thereby enhancing our comprehension of motivational factors. Essentially, these theories serve as operational frameworks depicting the decision-making processes individuals undergo to determine their motivation levels for specific activities and to sustain a particular level of productivity, as elucidated by Chiang and Jang (2008: 314). Process theories comprehensively address the direction, activation, perpetuation, and cessation of behavior.

In contrast to many content theories, process theories acknowledge that what motivates one individual to excel may not necessarily motivate others similarly. Notably, process theories like expectation theory, goal-setting theory, and equity theory play a crucial role in the realm of performance management.

#### EXPECTANCY THEORY

Expectancy Theory, formulated by Vroom in 1964 and subsequently refined by scholars like Porter and Lawler, explores the motivation of individuals based on their expectations regarding work outcomes. This theory is particularly focused on work motivation and offers insights into the realms of performance and reward management. Essentially, Expectancy Theory proposes that work behavior is shaped by individuals' anticipations of their capabilities, the effort they are willing to invest, and the perceived rewards.

According to Vroom's model, there are three key characteristics that influence how much effort an individual is likely to put in at work:

- Value (V): The importance a person assigns to a possible result or reward, expressing the reward's allure.
- Instrumentality (I): Also known as the "line of sight" between perceived performance and reward, instrumentality refers to the conviction that achieving the necessary performance level will result in a favourable consequence or reward.
- Expectancy (E): A person's estimation of the chance that a particular effort will lead to the intended degree of performance.

The product of these three variables yields the motivational force (F):

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

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 proves beneficial for comprehending and managing work motivation, especially within the context of performance and reward systems.

## **2.9 PERFORMANCE MANAGEMENT DRIVE TOWARDS COMPETITIVE ADVANTAGE :**

The CEO of the retail company "SAINCO" is intent on gaining a competitive advantage, and the main goal in achieving this is organisational performance management. It has been noted that "SAINCO" performance management strategies and techniques require some modification. The company needs to adopt new policies and concepts in order to compete in the market. Because this is a family-run company with an autocratic management style, decision-makers there rarely seek input from their subordinates and instead frequently act on their opinions and judgements. An organisation led by an autocrat is prone to totalitarian rule. The traits of this management style are as follows:

- Almost all decisions must be made by group leaders.
- members are given little to no opportunity to contribute.
- Provides leaders with the ability to dictate work methods and processes.
- Frequently creates surroundings that are extremely strict and structured .
- Prevents originality and unconventional thinking .
- sets guidelines and is usually well-articulated and conveyed. (Cherry, 2023)

As a result, "SAINCO" needs to modify its management approaches, as the autocratic system gives employees the perception that they lack influence or input in decision-making processes. This becomes particularly challenging when proficient and capable team members sense that their contributions and expertise are not adequately appreciated. In some instances, it can also diminish employee morale. When individuals sense that their contributions are valued and that they play a meaningful role in the group's future, they generally experience greater satisfaction and exhibit improved performance. It is essential for companies to attentively listen to their employees with an open mindset, fostering a sense of significant contribution to the group's objectives.

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, 2022)

### 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)

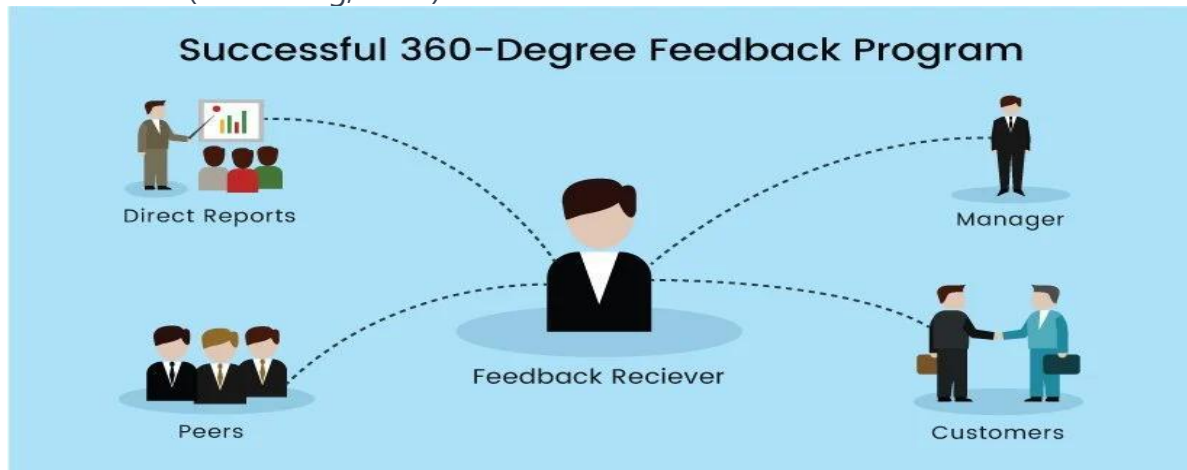


Figure : 4 , 360-degree feedback (shepherd,2018)

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, 2022)

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, 2022)



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 Lack of Clarity in Career Paths:**

The absence of a clearly defined career path within the organization poses a challenge for employees striving to achieve their goals. The organization's failure to set individual targets at the beginning of the trimester exacerbates this challenge, leaving individuals uncertain about their objectives. Clarity is essential, as a well-defined understanding of targets and expected outcomes facilitates goal attainment for employees and enables managers to assess performance effectively. Organizations lacking clear goals are prone to allocating time to tasks that do not align with organizational objectives. Additionally, a communication gap with managers regarding the performance management system is emerging as a concern (Gérard B., 2017).

### **3.2.2 Unfair Performance Management Ratings:**

Employees encounter challenges as performance management ratings are perceived as not being fairly assigned based on merits. The grading process is influenced by personal relationships with managers, leading to a perception of unfair treatment. The absence of performance data supporting the appraisal raises concerns about potential fabrication of data, which could convey inaccurate information about employee performance. Such situations can demotivate employees, erode self-esteem, and may even lead to the departure of employees who feel unfairly evaluated.

### **3.2.3 Lack of Workplace Motivation:**

A notable challenge affecting employees is the lack of motivation within the workplace, a crucial factor for organizational success. Human resources play a vital role in achieving organizational goals, requiring highly motivated employees. Increased motivation leads to positive attitude changes, commitment to job roles, and a focus on contributing to organizational growth (Gérard B., 2017).

Enhancing employee engagement is pivotal for achieving high performance. Research indicates that highly engaged employees perform 20% better, and organizations with the most engaged workforce are, on average, 22% more profitable. Therefore, it is imperative for "SAINCO" to concentrate on employee engagement and involvement to elevate performance and gain a competitive advantage.

## **4.EMPLOYEE ENGAGEMENT AND EMPLOYEE INVOLVEMENT :**

### **4.1 DEFINITION OF EMPLOYEE ENGAGEMENT :**

According to Kahn (1990), employee engagement is the active dedication of organisational members to their job tasks. People give their bodies, thoughts, and emotions to the work they do when they are engaged. Employee views about the company, its leadership, and the general work environment are all part of the cognitive component of employee engagement. The tangible efforts people make to carry out their job duties include the physical component.

Employee engagement is a notion that was first introduced by Maslach and Leiter (1997). It consists of three components: efficacy, involvement, and energy. According to Byrne (2022), each of these components directly relates to one of the three characteristics of burnout, which are depersonalisation, lack of efficacy, and emotional weariness.

### **4.2 IMPORTANCE OF EMPLOYEE ENGAGEMENT IN SAINCO:**

Purcell (2013: 247) contends that focusing on employee engagement is beneficial as a way to improve working conditions and organisational performance rather than as a goal unto itself. Guest (2009: 1) goes on to emphasise the advantages of engagement by highlighting the positive attitudes and behaviours of workers, which are demonstrated by low absenteeism and labour turnover, high citizenship behaviour, and positive perceptions of justice and trust within a psychological contract where promises and commitments are kept. All of these factors are indicative of engaged workers.

According to Alfes et al. (2010), motivated workers perform better and are more creative than their unmotivated counterparts. Additionally, motivated employees are

more likely to have a desire to stick with their employers, report feeling better personally, and believe that their task is more manageable.

#### 4.3 EMPLOYEE ENGAGEMENT STRATEGIES FOR SAINCO:

We have explored the evolution and definition of employee engagement, delved into the influencing factors, and underscored the significance of employee engagement in connection to business performance. To foster engaged employees within the SAINCO organization, managers should pay attention to the following aspects:

- **Commence Engagement from Day One:** Although a lot of companies have strong talent acquisition plans, staff retention plans are frequently lacking. Good hiring and onboarding practices are fundamental, starting from the first day with the new hire. Strategic recruitment should enable managers to carefully evaluate the prospective talents of new workers. A thorough orientation that covers the mission, vision, and values of the firm as well as job-specific details, policies, and procedures is essential to establishing reasonable expectations for the position and reducing potential role conflicts. ( Markos & Sridevi, 2010)
- **Leadership Involvement:** Leadership commitment is necessary for employee engagement and may be demonstrated by clearly defining the organization's goal, vision, and values. Employee engagement initiatives risk being dismissed as HR fads or corporate trends if top-level executives don't genuinely believe in, support, and cascade these concepts down to managers and staff. Leadership that sets an example is necessary for authentic participation.
- **Foster Two-Way Communication:** Realising that staff members are not merely recipients of orders, managers should aggressively promote two-way communication. An empowered team is enhanced by regular and transparent communication regarding expectations. ( Markos & Sridevi, 2010)
- **Offer Appropriate Training:** It is crucial to assist staff members in expanding their knowledge and abilities through pertinent training. Gaining more knowledge about one's profession boosts confidence and allows one to work more independently and devotedly, which increases self-efficacy.
- **Establish a Robust Feedback System :** Create a performance management system that makes managers and staff members responsible for their employees' engagement levels. Frequent evaluations of employee engagement aid in determining the elements that influence engagement. ( Markos & Sridevi, 2010)

#### 4.4 EMPLOYEE INVOLVEMENT:

Mitchell (1973) defined "employee involvement" as the delegation of decision-making power between management and employees in the workplace."Different writers have given different meanings of employee involvement. It is the procedure

that gives workers the authority to take part in managerial decision-making and improvement initiatives that are in line with their organisational roles, according to Kumari and Kumari (2014). According to Agyeman (2012), “employee engagement is a management approach meant to empower staff members to contribute to the ongoing success and development of organisations.”

#### **4.5 BENEFITS OF EMPLOYEE INVOLVEMENT ::**

Engaging employees in organizational processes yields numerous advantages. When managers involve employees in planned changes, there is a heightened display of creativity and dedication as they strive for the success of the entrusted responsibilities. In some cases, employees proactively establish norms to address non-cooperation, viewing challenges as personal opportunities for success.

Employee involvement facilitates the utilization of employees' skills and knowledge across diverse organizational areas and processes, thereby enhancing organizational performance. It provides employees with opportunities to acquire the necessary knowledge and skills required for organizational tasks (Obiekwe, Zeb-Obipi, & Ejo-Orusa, 2019).

#### **5. RECOMMENDATIONS:**

According to the study's suggestions, managers and employees should both receive the appropriate training regarding the performance management cycle.

- The research's conclusions suggest that managers and employees ought to be properly trained in the performance management cycle in accordance with their key performance indicator . The performance management system's declared aims and objectives as well as SAINCO's implementation strategy should be the main topics of the training (Kaupa and Atiku, 2020).
- This study recommends extending the performance management system's marketing and communication efforts to managers and workers in order to address the issue of inadequate performance feedback. In order to make sure that managers and employees understand the expectations for work performance inside the company, effective communication is crucial.
- It is imperative to allocate sufficient resources to those tasked with putting the regulatory performance management system into action in order to guarantee favourable results. Policy results are evaluated as part of the policy review process, and this procedure must be carefully followed (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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