

# Research on Strategic Performance Management and Employee Performance Incentive

Gao Bo

Changchun Humanities and Sciences College, Changchun, Jilin, China

**Keywords:** Human resource management; Strategic performance management; Employee performance incentives

**Abstract:** With the continuous progress and development of society, the current market economy has made breakthrough progress. For all industries, human resources are the most valuable and scarce resources. By attaching importance to human resource management, it provides important talent protection for the development of each unit itself. In particular, in human resources management, it is necessary to attach importance to strategic performance management and employee performance incentives, ensure the effective implementation of strategic performance management, thereby mobilizing the enthusiasm of employees in their work, and laying a solid foundation for the healthy development of various industries. Therefore, this article explores the issues of strategic performance management and employee performance incentive.

## 1. Introduction

Human resource management is the strategic core of the healthy development of various industries and an important soft power of various industries. By doing well in human resource management, it can play a very important role in the long-term strategic development of various industries. Generally, when carrying out human resource management, each unit has a clear purpose, which is to improve the core competitiveness of the unit through reasonable and optimized allocation of employees. Performance appraisal is an important part of human resource management. Only by implementing performance appraisal and evaluation for employees can existing human resources be rationally allocated and the value of human resources be deeply explored and effectively utilized. In addition, in the work of human resource performance management in units, by associating employee performance with performance incentive mechanisms, employees' enthusiasm for work is further stimulated, and a good cultural atmosphere is created within the unit, thereby laying a solid foundation for the orderly advancement of various tasks.

## 2. Problems in Strategic Performance Management and Employee Performance Incentive

### 2.1. Unreasonable Human Resource Management System

In the current development process of various industries, human resource management is receiving increasing attention. Through reasonable performance management and employee motivation, it can further stimulate the enthusiasm of employees and comprehensively improve their work efficiency. However, currently, in the internal management work of various industries, there is a widespread problem of imperfect human resource management systems. Due to the mismatch between employees' professional qualities and their job positions, it is impossible to promote the orderly development of performance work. Unreasonable systems can also affect the efficiency of employees' work and reduce their sense of belonging to the company. In the absence of reasonable institutional support, it is not possible to implement performance incentives for employees in human resources management according to regulations, which also leads to a decline in control of employees and is not conducive to employee management. Inadequate systems can also harm the interests of employees, and contradictions can easily arise within the unit's management. Especially in the case of imperfect performance management methods and incentive

systems, it will bring greater restrictions on the value of employees themselves, affecting work efficiency and the healthy development of the unit itself.

## **2.2. Insufficient Emphasis on Human Resource Management**

In the development of modern society, various industries place more emphasis on education and experience when recruiting employees. However, the human resource management work of the unit has not been improved accordingly, and insufficient attention has been paid to the human resource management work, which has led to many problems in employee performance appraisal, employee motivation, and other aspects. In the absence of attention to human resource management, the unit cannot reasonably allocate employees during the development process, and there is a certain lag in human resource management, which still remains at the simple management level. Especially when incentives are not in place, it will inevitably affect the enthusiasm of employees in their work. Some units pay too much attention to their own operations, which leads to a large number of brain drain during development, affecting the healthy and orderly development of units.

## **2.3. Unscientific Performance Evaluation Methods**

In recent years, various industries have paid more attention to the improvement of employee management systems in human resource management, and have taken performance appraisal and employee motivation as important human resource management tools. Therefore, larger units are relatively perfect in terms of performance appraisal and employee motivation. However, most companies lack rationality and scientificity in their performance appraisal methods, often evaluating employee performance based on qualifications. Moreover, the appraisal systems for employees in different positions lack pertinence, which cannot achieve scientific appraisal of employee performance. This not only stimulates conflicts, but also has a significant impact on unit management. For any organization, performance appraisal is not simply an investigation and recognition of employees' work, but an important prerequisite and foundation for employee motivation. Due to the backwardness of the performance appraisal methods used by most units, the process of performance appraisal cannot be classified and analyzed for different employees, which inevitably affects the enthusiasm of employees and is not conducive to the healthy development of the unit.

## **3. Specific Measures to Strengthen Strategic Performance Management and Employee Performance Incentives**

### **3.1. Creating a Good Cultural Atmosphere**

The culture formed in the long-term development process of each unit is a code of conduct and development vision commonly recognized and followed by its employees. This can stimulate employees' enthusiasm for work, maintain synchronous development with the unit, promote the improvement of the unit's core competitiveness, further enhance employee cohesion, and lay a solid foundation for the orderly advancement of the unit's various work. Moreover, in the actual development process of the unit, it is necessary to attach importance to cultural construction, so that employees can consciously follow and effectively support strategies such as strategic performance management and employee motivation. Specifically, culture can be incorporated into employee education and training to accelerate the promotion of culture, and flexible means can be used to timely convey the values in the unit culture to employees, such as building a corporate culture wall (see Figure 1). It is also necessary to incorporate the specific requirements for the construction of the company's culture into the assessment and evaluation of employees, using values as an important indicator in the assessment, cultivating good values among employees, standardizing employee behavior, and better interpreting the overall values of the company.

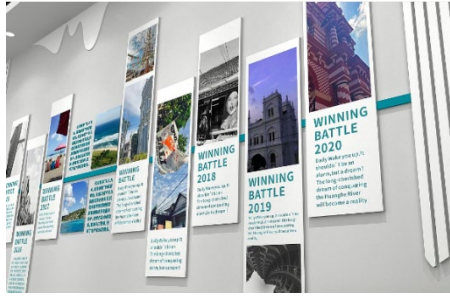


Figure 1 Culture Wall in corporate

### 3.2. Creating a Scientific Salary Incentive System

In order to improve the quality of human resource performance management, it is necessary to attach importance to the motivation of employees, and establish a sound compensation system based on a strategic perspective in actual work. For employees with outstanding contributions or strong work abilities, corresponding compensation rewards need to be given to further stimulate employees' enthusiasm for work. For employee motivation, scientific and reasonable compensation is the best incentive approach. Unit managers should combine their own characteristics and job responsibilities to scientifically determine employee salaries. In actual work, it is required to maintain a positive relationship between salary and performance to stimulate employees' enthusiasm for work. At the same time, it is necessary to deeply understand the career development intentions of employees, and combine them with the position resources of the unit to provide good development opportunities and platforms for employees. Respect for the development of employees also requires market and management rights. Throughout the process, the unit should also fairly allocate promotion opportunities based on employees' own contributions. For employees with a strong desire for self-development, the unit should carry out various forms of training to provide these employees with learning opportunities for continuing education, promote the improvement of their work ability, and reserve talents for the unit's development.

### 3.3. Emphasizing Effective Communication with Employees

In human resource management, managers need to attach importance to communication and communication with employees. In daily work, it is necessary to go deep into the grassroots and work front lines, implement direct management for employees, and enhance their sense of belonging. Especially in strategic performance management and employee incentive work, it is even more necessary to strengthen communication and communication with employees, so that employees can have a deep understanding of the importance of performance management and incentive mechanisms, and provide effective cooperation and support in practical work. The management personnel of the unit should also combine with the actual situation of the unit itself, enhance interaction with employees, provide more assistance to employees in work and life, and enhance the overall cohesion of the unit, so as to attract and retain talents, so that talents can fully exert their intelligence and lay a solid foundation for the stability and long-term development of the unit.

### 3.4. Implementing Strategic Performance Management Effectively

When formulating strategic performance management objectives, it is necessary to communicate with employees in advance to formulate the final objectives. Moreover, through communication and communication, the understanding of strategic performance management objectives between the unit's management and employees can be maintained in consistency. The specific strategic performance management objectives should be able to actively adapt to changes in the environmental situation, and constantly review and revise them. During the implementation of performance appraisal work, it is necessary to attach importance to the application of various advanced concepts, conduct comprehensive evaluations based on various aspects of employees, determine employee compensation based on specific evaluation results, allocate appropriate

positions for employees, and formulate corresponding training plans.

Because the realization of enterprise strategy is closely related to the individual behavior of employees, it is necessary to integrate units, departments, and employees to form a unified whole. During the entire process, the unit should clarify the performance management objectives. Before the actual performance appraisal begins, the human resources management personnel should guide the implementation of the employee summary report. The department head should also conduct a scientific evaluation of the employee's work performance. The human resources management department should implement comprehensive review and analysis to achieve a reasonable evaluation of each employee. When analyzing the core objectives of performance management in practice, performance evaluation plays a significant role in the allocation of unit value. At the same time, as an important tool and means, it also has a significant impact on the management of the unit. Therefore, it is necessary to ensure that the core objectives of performance management are clarified, so as to achieve a reasonable determination of the evaluation basis.

### **3.5. Building Strategic Incentive Mechanisms**

In order to stimulate employees' enthusiasm for work and create a good working atmosphere within the company, the company needs to actively build incentive and constraint mechanisms. In specific work, it is advisable to reasonably design positions, standardize employee behavior, and establish a fair distribution system through combining performance to ensure that employees maintain good working conditions. In the work of unit performance management, it is necessary to follow the people-oriented principle, achieve humanized management of employees, strengthen their sense of ownership, and promote common development and progress between employees and the unit.

When determining strategic performance appraisal management objectives, a company requires them to be specific and feasible. Before setting the final objectives, it should strengthen effective communication with its employees to enable them to recognize the final objectives. In addition, during the implementation of strategic performance appraisal management objectives, the objectives must be continuously revised and improved with the changes in social environment and situation. When conducting performance appraisal for employees, it is necessary to follow specific appraisal principles and evaluate all aspects of employees. In the actual assessment process, it is necessary to attach importance to the application of advanced methods such as the key performance indicator method and the balanced scorecard, link the personal interests of employees with the performance assessment results, stimulate the enthusiasm of employees in their work, and further optimize the unit's strategic development plan, giving full play to the effectiveness and effectiveness of the incentive mechanism.

## **4. Conclusion**

In current human resource management work, strategic performance management and employee motivation are relatively important content. Through the implementation of strategic performance management, human resources can be optimized, and resources can be actively integrated to promote the improvement of unit comprehensive management efficiency. At the same time, it is necessary to develop employee incentive mechanisms that match performance appraisal to further enhance the overall level of unit management. Moreover, in the specific implementation process, strategies need to be taken as the cornerstone to ensure that performance management and incentives can maximize their effectiveness and promote the overall quality and level of human resources management work in the unit.

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