

# Research on the Construction Path of Organizational Performance Management System Based on “Strategic Orientation”

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**Abstract:** The performance management concept with goals as the core is gradually being respected and applied by the majority of organizations, and the degree of integration with organizational strategic planning is deepening. Therefore, how to achieve the coordinated development of organizational performance management and strategic goals and promote the implementation and implementation of organizational strategic planning is an urgent problem for organizational leaders to solve. Based on this, the author, from the perspective of building an organizational performance management system, explores the construction path of organizational top-level planning, performance subject construction and personnel support.

## 1. Introduction

With the development of the theory of organizational behavior and the improvement of organizational management, the concept of organizational performance management has gradually changed, from the initial human-centered personnel assessment to the task-based business assessment, and then to Performance management with goals as the core. Although the methods and concepts of organizational performance management have undergone qualitative leapfrogging compared with the past, the core thinking of performance management has not deviated from the scope of daily affairs assessment, so the effect of achieving organizational strategic goals is not obvious [1]. Based on this, how to achieve the coordinated development of organizational performance management and strategic goals, and promote the implementation and results of organizational strategic planning, has become a realistic demand for many organizations to build performance management systems. In this context, the "strategy-oriented" performance management concept has been accepted and recognized by the majority of organizations, and has developed rapidly.

## 2. “Strategic-oriented” organizational performance system

The "strategic-oriented" performance concept determines that the essence of performance management is to serve the organization's strategy. Through the planning and decomposition of strategic goals, it is transformed into plans and goals for all levels and departments of the organization, and then implemented in all levels and departments Performance management [2]. This shows that performance management has become a management tool to achieve organizational strategic goals. Therefore, the importance of building a scientific and systematic performance management system to the organization is self-evident. Through the analysis from the organization's strategic planning and operation management, the performance management system is built from three levels: strategic planning and organizational operations, performance management system construction, organizational culture shaping and employee ability identification. The coordinated operation of the above three levels can build a rigorous and scientific organizational performance management system. The upper-level organization guides the operation of the lower-level organization, and the lower-level organization supports the implementation of the plan of the upper-level organization (Fig 1).

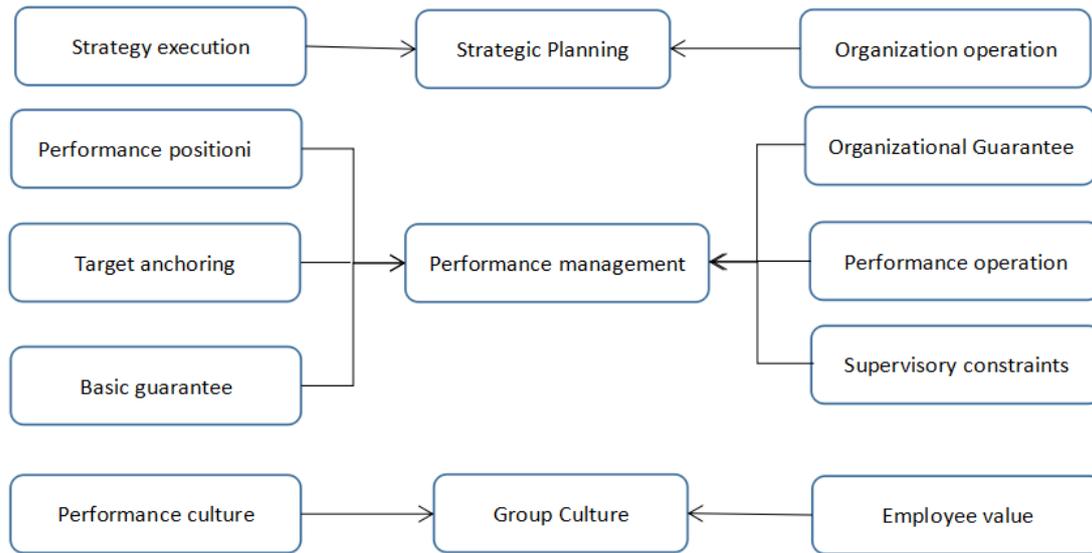


Figure 1 Flow chart of organizational performance management system construction

The first level: top-level planning, strategic planning and organizational operations, which are not only the internal requirements of the organization's business objectives and operating order, but also the fundamental purpose and ultimate orientation of building a performance management system [3]. Strategic planning points out the direction for the organization's future development, while organizational operations provide support and guarantee for the implementation of strategic planning.

The second level: the construction of the main body, the construction of the content of the performance management system, which is the main part of the construction of the organizational performance management system, and is related to the success or failure of the construction of the organizational performance management system. What needs to be clear is that the organizational performance management system directly serves the organization's strategic planning and operation management, and at the same time links the shaping of the organizational culture and the identification of employee capabilities.

The third level: system support, the shaping of organizational culture and the identification of employee capabilities. By shaping a high-performance organizational culture and positive values, strengthen "employees" recognition of the organizational performance management system [4], and use this to identify employees' abilities and make arrangements for their positions, thereby providing personnel support for the construction and implementation of the organizational performance management system , And then improve the operational efficiency of the organization and realize the strategic planning of the organization.

### 3. Top-level planning, strategic planning and organizational operations

#### 3.1 Strategic planning and execution

By systematically planning the mission and vision of the organization, selecting strategic analysis methods, initially clarifying the positioning and goals of the organization's development strategy, and then determining the concept, theme and specific goals of the organization's strategic planning, and then ensuring the steps, paths, and indicators for the implementation of the organization's strategic planning And the required resources.

First of all, combining the internal and external environment and development status of the organization, according to its development vision and strategic mission, corresponding methods such as PESTEL analysis, Porter competitiveness model analysis, stakeholder analysis and SWOT analysis are used to formulate organizational development strategic planning. Create a positive atmosphere and lay a

fecundation guarantee.

Secondly, determine a clear organizational strategic planning theme and specific strategic tasks, so as to refine the realization path of the strategic planning and the completion indicators of the strategic goals [5]. On the basis of the organization's strategic planning and the decomposition of objectives and tasks, combined with the organization's development prospects, market needs, customer demands, internal management quality and cost-effective elements, determine the key performance indicators of each functional department, and decompose the performance indicators into specific responsibilities Positions and responsible personnel. Then link up with the organization's performance management system to ensure that the organization's strategic planning is implemented to posts and people.

Finally, formulate an implementation plan for strategic objectives. According to the strategic goals of the organization's development, design multiple sets of action plans to evaluate alternatives. When selecting an action plan, it should be the best that can achieve the strategic objectives and with the best cost. At the same time, it actively obtains the support of the senior management of the organization and prepares funds, manpower and other resources for the implementation of strategic goals. Through the connection with the performance management system, the entire process of the implementation of the organization's strategic planning is monitored and timely evaluated to ensure the accuracy and order of the execution path, and avoid detours and old paths.

### **3.2 Organizational planning and operation**

On the basis of organizational strategic planning, systematically sort out the organizational structure, scientifically optimize business content and work procedures, clarify the functional tasks of organizational departments, and support the operation of the performance management system with a complete and orderly organizational operation system, thereby promoting the organization The gradual realization of strategic goals.

On the one hand, whether it is the organization's organizational structure, business content, work-flow, and departmental functions, all must obey strategic goals. Specifically, the merger and reorganization of the organization and business should be oriented to achieve strategic goals [6], the optimization of business content should be based on the consolidation of strategic goals, the standard adjustment of work processes should be based on the improvement of strategic planning, and the detailed requirements of department functions To promote strategic planning as its purpose. On the other hand, organizational structure, business content, work process and department functions are not only the meaning of the construction of the performance management system, but also the main content of the construction of the organization operation system. This requires the construction of a scientific and reasonable performance management system to ensure the organization. The operating system plays a supporting role in achieving strategic goals.

## **4. System construction, the main body of performance management system construction**

The construction content of the performance management system based on "strategic orientation" includes two levels, namely: materialized system processes and virtual cultural concepts. The system process is manifested in the organization's performance management methods, procedural specifications, performance indicators and employee handbooks, etc., and its characteristics are mandatory and restrictive. The cultural concept is expressed as the organization's value mission, development purpose, employee attribution, work efficiency [7], etc., and its characteristics are obvious voluntary and emotional. Based on the content of materialized and virtualized performance system construction, correspondingly, it is necessary to organize a stable and effective performance system to implement a guarantee system. Although the manifestations of performance management content are diverse, the basic content of the performance management system is stable, including six major parts: performance management positioning, organizational guarantee system, target index system, performance operation system, basic guarantee system, and incentive supervision mechanism. Specifically, the performance management positioning is the direction, the organization guarantee system is the main body, the target index system is the content, the performance operation system is the platform, the basic guarantee system is the

foundation, and the incentive and supervision mechanism is the guarantee.

#### **4.1 Positioning of performance management**

The fundamental mission of performance management is to serve organizational strategic planning and organizational operations. However, due to differences in the organization's development stage, functional content, target mission, etc., it is determined that the construction of an organizational performance management system cannot follow the same old path, but take a distinctive approach, Differentiated innovation road. Therefore, to build a characteristic performance management system, it is necessary to take organizational strategic planning as the goal, combine the status quo and management needs of the organization, and clarify the positioning of the performance management system in order to provide guidance and navigation for the performance management activities of the organization. Of course, the positioning of the organizational performance management system is not fixed, but needs to be adjusted in time with the development of the organization and changes in the external environment [8].

Performance management positioning includes performance management orientation and performance management method selection. The orientation of performance management is manifested in three orientations: "strategic goals", "management control" and "personnel evaluation". "Strategic goals" focus on the organization's macro coordination and grasp the overall direction, and "management control" focuses on the middle-level departments of the organization. The "personnel evaluation" focuses on the specific implementation of the organization, the feedback of staff efficiency and staff performance efficiency. The choice of performance management method needs to be determined in combination with the actual situation of the organization, and the more common method systems include key performance indicator method (KPI), balanced scorecard method (BSC), economic value added method (EVA), target management method (MBO), bench-marking method, 360-degree performance appraisal method and key event method, etc.

#### **4.2 Organizational guarantee system**

Performance management is not a specific work category of the organization's human resources department, but the joint responsibility of all employees of the organization. Sun Tzu's Art of War says [9]: "He who has the same desires up and down wins." Whether it is the senior leaders of the organization or the grassroots front-line employees, they should clarify their own responsibilities and division of labor in the performance system, and take the human resources department as the lead to form a systematic performance management organization guarantee system, and work together to promote the construction of the performance management system. Implement. Organizational guarantee system is the main platform and organizational foundation that promotes the operation of the organizational performance management system. It is generally composed of permanent institutions and non-permanent institutions. It is divided into three levels at the level. From top to bottom, there are performance management committees, and performance management execution Committee, Performance Management Working Group.

Organizations at the first level generally set up performance management committees, which can be coordinated by the person in charge of the organization, while the head of the human resources department assists in organizing other leaders and heads of various departments as members of the performance management committee. The performance management committee is mainly responsible for leading the resolution and review of major issues such as organizational strategic planning, performance management positioning, and performance system content.

The second-level organization is the performance management executive committee. The leader of the organization in charge of the human resources department can serve as the head of the executive committee, and the head of the human resources department can assist, and the heads of each department can serve as members of the executive committee. Under the direct leadership of the Performance Management Committee, the Executive Committee is also responsible for organizing the specific implementation plan, rules and regulations, guidance arrangements, supervision and evaluation of the performance management system [10].

The third-level organization is the performance management work group, and the leader of the

organization's human resources department can serve as the team leader, and the leaders in charge of performance management in each department can assist in the management. At the same time, each department of the organization arranges special persons as working group members to be responsible for the docking of performance management affairs between the department and the organization and the follow-up and feedback of performance management activities.

### **4.3 Target index system**

The target index system is the core content of the performance management system, which links the organization's strategic planning and organizational operation. Whether the target index system is reasonable and scientific directly determines the success of the organization's business goals [11]. In the process of implementing performance management, organizations need to closely focus on strategic objectives, and strategic objectives need to be decomposed and implemented level by level. The value of the target command system is to decompose the strategic objectives of the organization, and then assign them to each department, each team and each position, and then achieve the level-by-level configuration, level-by-level commitment, level-by-level support, level-by-level execution and Assessment and revision level by level, and finally achieve the completion of the organization's strategic goals.

Through the “gradual configuration, gradual commitment, gradual support, gradual execution, and gradual assessment and revision” of strategic objectives, a target command system is constructed. From the perspective of time and organization, organizational strategic goals can be divided into a performance system and a target system that can be monitored and enforced [12]. From an organizational point of view, the performance system is represented by the organization's strategic performance, department (team) performance and job performance. From the perspective of time dimension, the target system is manifested as the organization's strategic goals, stage goals and specific goals. Based on the goal system, form the support of job performance to department (team) performance, and department (team) performance to support strategic performance, so as to promote the synchronization of strategic performance and strategic goals, and department (team) performance Coordination of phased goals, the consistency of job performance and specific goals, so as to achieve the implementation of organizational strategic planning.

### **4.4 Performance operation system**

Organizational performance management activities are a closed-loop system composed of four projects: performance goals and plans, performance implementation and guidance, performance evaluation and feedback, and performance control and correction. In performance management activities, performance communication connects these four projects to ensure the smooth implementation of the performance operation system. In the closed-loop system of performance management, the performance system continuously promotes employees to improve their personal qualities, promotes various departments (teams) to improve work efficiency, and finally achieves organizational, departmental (team) and individual performance goals.

Performance communication is a key link in an organization's performance operation system. Construct a smooth and efficient performance communication mechanism, continuously infiltrate and deepen the performance management concept within the organization, eliminate internal resistance and resistance, and strengthen employees' recognition of the performance management concept and enthusiasm for participation in performance management activities. At the same time, Changda's communication mechanism creates a favorable public opinion environment and psychological belonging for the performance operation system.

### **4.5 Basic guarantee system**

The basic guarantee system is a prerequisite for performance management, a necessary support for the operation of the performance management system, and a source channel for all kinds of data and information required in performance management. The basic guarantee system of performance management needs to do well in three aspects, namely [13]: management work foundation, system operation support and data information system. Specifically, the basis of management work includes

strategic planning, organizational design, process optimization, job management, goal management, and many other sub-projects. System operation support needs to do well in performance management methods, processes, and checklists, and information data systems need to do well in information Collection, sorting, warehousing and analysis.

The foundation of management work is the top priority of the performance-based guarantee system. The quality of management work directly affects the operation of the performance management system. Therefore, the first priority of management work is to analyze organizational strategic planning, integrate organizational business content, sort out internal work processes, connect various departments, teams, and business collaboration relationships among various positions, and eliminate management vacuum and blind spots within the organization.

Based on management work, the core work of the performance operation system is to select performance management methods, clarify performance content forms, and formulate performance evaluation rules. By choosing scientific performance management methods, rationally planning content rules, setting performance goals and indicators, and strengthening the strength and effectiveness of evaluation, it provides clear evaluation criteria and clear direction guidance for performance management.

The information data system provides consulting and decision services for the operation of the organization's performance management system. Before the establishment of the organizational performance management system, the information data system needs to be prepared in advance, from data generation, recording, statistics and even auditing, reporting and archiving, etc., to be comprehensive. If there are omissions and errors in a certain link, it will inevitably lead to directional errors in the construction of the subsequent performance management system, and the loss to the organization is immeasurable.

#### **4.6 Supervision and restriction mechanism**

The supervision and restraint mechanism of performance management is the last line of defense for the construction, implementation and improvement of the performance system. The supervision and restraint mechanism has two levels, namely: the active safeguard level and the passive protection level. The active protection level is organizational behavior or collective behavior, which is reflected in performance interviews, performance audits, process audits and investigations, etc. The organizational performance management committee is the main body of implementation at this level. The passive protection level is an individual behavior or team behavior, manifested in performance statements, performance appeals, performance complaints, performance reports, etc., and organizational employees and even individual managers are the implementation subjects of this level. Therefore, the supervision and restriction of every link and every project of the organization's performance management activities is not only to ensure the realization of the organization's strategic performance goals, but also to protect the legitimate interests of the organization's employees from infringement, and ultimately ensure the fair and objective operation of the performance management system And smoothly.

### **5. Personnel support, cultural atmosphere and employee ability identification**

#### **5.1 Performance-oriented organizational culture**

An excellent organizational culture helps the smooth realization of the operation of the organizational performance management system and performance goals. Therefore, the establishment of a performance-oriented organizational culture can strengthen the consistency of employees' personal goals and organizational strategic goals, and enable employees to realize the synergy between organizational performance and personal benefits. Then, under the performance culture based on value sharing and win-win cooperation, the employees of the organization will inevitably give full play to their personal potential and strive to create the maximum performance for the organization.

There are three aspects to build a high-performance organizational culture. The first is to create a working atmosphere of benign competition and encourage employees to compete fairly in internal positions. At the same time, create an extroverted and open communication system between employees

and management, and abandon the traditional model of strict hierarchy. The second is to provide employees with necessary and forward-looking training and learning opportunities, cultivate employees to form the concept of self-learning and education and learning, and improve their comprehensive quality. The third is that rewards and punishments should be clear, timely, and fair, and give full play to the incentive mechanism of rewards and punishments on employee performance. The fourth is to enrich the life content of employees, and advocate comprehensive innovation concepts and job performance responsibilities.

## **5.2 Effective ability support**

The construction of the performance management system is a process of creation and improvement from scratch, which puts forward higher requirements and standards for the business ability and quality skills of the basic managers and front-line staff of the organization, and this ability and quality It is also because of constant change. Therefore, another important task for constructing a "strategic-oriented" performance management system is to do a good job in the identification and evaluation of employee abilities, and then through training, learning and other methods to improve the overall level of employees' ability to provide support for the operation of the performance management system.

## **6. Conclusions**

At the same time, in the process of constructing and operating a strategy-oriented performance management system, it is necessary to continuously adjust performance indicators, revise work processes, improve planning schemes, and provide grassroots employees with performance management consulting services. This series of behaviors is important to organizational leaders. And the professional ability of managers put forward high requirements. Therefore, for organizational leadership and management, it is inevitable to have frontier performance theory knowledge, advanced performance management methods, and high performance management responsibilities to meet the needs of organizational performance management reform and organizational strategic planning.

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