Performance Appraisal Based on Incentive Strengthening Theory and Its Application in Human Resource Management

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Abstract. Under the situation of increasingly fierce market competition, the application of performance appraisal in human resources management is becoming more and more prominent. However, due to the lack of new management ideas and theories and the outdated performance assessment methods, the effect of human resources management is not as good as expected. This paper takes performance appraisal as the research focus, introduces the theory of incentive reinforcement as the support, analyses the main contents and problems of enterprise and organization performance appraisal, discusses the theory of incentive reinforcement and its application in performance appraisal, and puts forward improvement measures from five aspects through the actual examples, to play the role of performance appraisal to mobilize the enthusiasm and creativity of the staff, promote human resources management, achieve the goal of "making the best use of people and materials", and enhance the continuous development and progress of enterprises and organizations.

Introduction

In the society nowadays, the market competition is becoming increasingly fierce, and the tide of information age pushes the status of performance appraisal in human resources management to a new peak [1]. In a sense, it can be said that which enterprise will do better in performance management, which enterprise's development prospects will be brighter, in the changing market will have a more foothold [2]. The same is true for other types of organizations.

Performance appraisal is the main basis of reward and punishment for employees, while the performance appraisal process also provides an opportunity for employees to express their opinions [3]. In this process, the employees can give suggestions that need to be improved in each department of the enterprise or organization, so as to promote the optimization of the structure of the enterprise or organization, improve the overall efficiency of the enterprise and create more profits [4]. Performance appraisal is definitely a two-way appraisal, which requires not only the evaluation of employees, but also the feedback of employees on the operation mode of enterprises. Only when both sides correct the deficiencies in time can enterprises retain talents and employees gain a firm foothold in enterprises [5].

Human resource management is to fully mobilize the enthusiasm and creativity of employees through a series of efforts, to maximize the potential of employees, and to create more benefits [6]. On the basis of the theory of incentive reinforcement, it is beneficial to explore the role of performance appraisal in human resource management of enterprises for the exploration of talent potential and the future development of enterprises or organizations [7].

The Main Contents and Problems of Performance Appraisal

Performance appraisal is a part of enterprise performance management [8]. Comparing the work objectives with performance standards, and adopting scientific assessment methods, the examiner evaluates the accomplishment of the staff's work tasks, the degree of performance of the staff's work responsibilities and the development of the staff, and feeds back the evaluation results to the staff [9].
Basic Contents of Performance Appraisal

The performance appraisal of enterprises and organizations is usually carried out according to the following contents [10].

Assessment of Working Ability. For some manual work, the company needs to assess whether the physical strength and physical health of employees meet the standards; for some work dominated by intellectual factors, the company needs to assess the ability of employees in professional knowledge and research degree, and also pay attention to the potential of employees in innovation.

Assessment of Work Attitude. Examine whether employees are enthusiastic and serious about their work, and how enthusiastic and serious they are. At the same time, it examines whether employees are loyal to the company, whether they will consider job-hopping, or even whether they leak company secrets.

Performance Appraisal. Assess the contribution of employees to the interests of enterprises. Because performance appraisal is directly linked to the interests of enterprises, it is the most important and basic content of performance appraisal.

Adaptability Assessment. Examine whether employees are adapted to the current job and interpersonal relationships. If they do not have a more harmonious interpersonal relationship, it is easy to affect the mood spiritually, and their work may encounter a "stubble" phenomenon, which will reduce the efficiency of work, thereby adversely affecting the company's profit growth.

Due to the different services provided by various enterprises to customers and the separate identities of employees, the focus of performance appraisal will be different [11]. For example, employees working as intermediaries, merchandising and salesmen should have strong interpersonal skills because they often deal with customers, and because they want to persuade customers to buy goods, they should have the advantages of articulation and clear thinking [12]. When assessing, they should focus on adaptability assessment and work ability assessment; if some technicians are needed to improve the technical content of the products, the assessment should not only focus on the ability assessment, but also on the work attitude assessment, so as to prevent the core technology developed by the company at great expense from being sold to the competing enterprises second-hand.

Common Problems in Performance Appraisal

For an enterprise or organization, there may be many problems in performance appraisal, which can be summarized as follows.

Information Asymmetry. In enterprises, especially in large enterprises, managers are not necessarily able to understand in depth the difficulties each employee encounters in their work and the conflicts between their own situation and the company system, so they cannot allow employees to obtain positions that can fully reflect their own values and frustrate their enthusiasm and creativity. On the other hand, employees do not fully understand the expectations of the enterprise, so they do not have a clear goal to strive for, nor can they perform well.

Errors Caused by the Internal Environment of the Company. Two extreme phenomena need to be paid much attention. Firstly, if the enterprise and management are too lenient in their demands on employees, they will cause the performance appraisal to be nominal, the problem will become more serious, which will affect the development of the enterprise; secondly, if they are too strict, they will lead to the self-endangerment of the upper and lower people and lose trust between them, and they will not be able to make good cooperation with each other [13].

The Performance Appraisal Criteria are not Clear. If there are so-called "different opinions" in the performance appraisal, there will be unfairness in the appraisal process and results. Especially for such concepts as "quality of work" and "originality", different evaluators may have different understandings, and the introduction of such subjective factors will be inevitably inequitable.

Lack of Effective Incentive Strengthening Mechanism. At present, some enterprises lack reasonable incentive mechanism. The reward target is too high, but the quota is too small, and the gradient design is unreasonable, which makes most employees hesitate and give up their efforts, and
even cause some people cheat and muddle through. In the long run, it will reduce the loyalty of employees to the company and affect the future development of the business.

For the above problems, enterprises should establish a smooth channel of information interaction to avoid the phenomenon of "too strict" or "too loose" performance appraisal. They should specify the conditions needed to meet each stage, realize the concretization and visualization of performance standards, and make it easier for evaluators to interpret the evaluation results. Evaluators are more convinced to take orally and make clear what they need to improve, so as to achieve a targeted, multiplier effect with half the effort.

**Incentive Enhancement Theory and Its Application in Performance Appraisal**

**The Basic Meaning of Incentive Reinforcement Theory**

Incentive reinforcement theory is a theory put forward by American psychologists and behavioral scientists Burrhus Frederic Skinner, whose goal is to predict and control human behavior. It is believed that human or animal will take certain actions to act on the environment in order to achieve certain goals. When the consequences of such actions are in his favor, they will recur in the future [14]; when they are not, they will weaken or disappear. People can use this positive or negative reinforcement method to influence the consequences of the behavior, thus modifying its behavior. This incentive reinforcement theory is also called behavioral modification theory.

**The Purpose and Main Content of Incentive Reinforcement Theory**

The purpose of performance appraisal based on incentive strengthening theory is to set goals according to the needs of enterprises, promote the common growth of companies and employees, improve the overall management structure of enterprises, rationally distribute the interests of companies, and ultimately achieve enterprise goals by encouraging employees to tap their potential and discover the existing problems of the enterprises and organizations [15].

![Figure 1. Performance Appraisal of Enterprises or Organizations.](image)

The results of the above performance appraisal should be strengthened positively and negatively. Employees with excellent performance are encouraged by positive reinforcement, such as material reward or spiritual reward, promotion and salary increase, while those with unqualified performance...
are given negative reinforcement, such as not giving or reducing reward, even criticism and punishment [16].

The theory of incentive reinforcement is to improve the efficiency of work by satisfying the needs of employees, mobilizing the enthusiasm of employees. The focus of human resource management is performance management, while the focus of management is performance appraisal, which is the most important part or the "heart" of human resources management [17]. And incentive strengthening is to make our "heart" healthy, powerful and lasting beating health care products, so how to have a set of scientific, reasonable and systematic incentive strengthening theory of performance appraisal is the key to determine the rise and fall of enterprises.

Fig. 1 is a performance appraisal system for enterprises or organizations, as well as its theoretical basis, content and structure.

Suggestions on the Role of Performance Appraisal in Human Resource Management

Enterprises should regard incentive strengthening theory as the basis and theoretical support of performance appraisal, reform the appraisal methods, design quantifiable appraisal indicators, minimize human factors, and enhance the reliability and scientificity of performance appraisal. It is necessary to give full play to the role of "compass" to encourage and strengthen performance appraisal to guide staff's further development, mobilize staff's enthusiasm and creativity, so as to achieve the goal of "making the best use of talents and materials", and make human resources truly serve the development of enterprises.

Establishment of Pertinent Performance Appraisal Standards and Methods

Establishing a "tailored", i.e. cut the dress according to one's figure performance appraisal method is the premise of encouraging and strengthening performance appraisal in human resources management.

Enterprises should formulate practical and morale-inspiring performance appraisal standards so that every employee can be evaluated and recognized scientifically and fairly, otherwise their work enthusiasm will be difficult to maintain and improve. Through questionnaires, interviews, job realism and other means, it is available to make a detailed analysis of each position, investigate and understand the work of employees, and give feedback and suggestions, so that employees have a clear understanding of their own work processes and responsibilities. For different posts, assessment criteria should be "tailored to local conditions".

Harvard Professor Mayo's welfare experiments at Hawthorne from April 1927 to June 1929 showed that one-to-one performance interviews were an effective way to boost morale and grounding. The women workers who spoke to the minister felt they were valued and proud. They significantly increased their enthusiasm and productivity. In the interview experiment, the researchers found that the workers who vented their emotions were more comfortable, morale was high, and the output of products was also improved. Therefore, supervisors should communicate with subordinates regularly or irregularly to understand their performance and difficulties, so as to ensure the objective and impartial evaluation results and mobilize the enthusiasm of the work.

Learning from Successful Experiences at Home and Abroad

"The stone of another mountain can attack the jade" - Drawing lessons from foreign advanced performance appraisal methods is an important way to encourage and strengthen performance appraisal in human resources management.

KPI (Key Performance Indicators). By setting, sampling, calculating and analyzing the key parameters of the input and output of the internal process, it is capable to measure the process performance. This is an objective quantitative management index, a tool to decompose the strategic objectives of an enterprise into operational work objectives, and an enterprise performance basis of effectiveness management [18-20].

Enterprises introducing KPI methods must have the following characteristics: firstly, companies should have clear general objectives of struggle, and they should be detailed and assigned to

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departments and individuals; secondly, employees must have clear objectives; thirdly, managers should have objective and fair motivation to evaluate employees' work; fourthly, enterprises should be willing to pay a certain amount of money as assessment cost; the current salary or welfare benefits of the enterprise should attract the examinees. Enterprises meeting the above requirements will be able to give full play to the role of KPI.

**360° Degree Feedback (Omni-Directional Assessment).** This is a method of evaluating employees themselves and their superiors, subordinates, colleagues and even customers from all aspects [21]. It involves the whole organization, including all employees, and provides an open platform for communication between superiors and subordinates. Employees can improve their insights through self-analysis, and at the same time, they can better understand their strengths and areas needing improvement in comparison and evaluation with others, and formulate the next capacity development plan [22]. For the team, this assessment method can help people understand how their behavior affects the smooth operation of the group. The company can also take this opportunity to fully grasp the situation of employees, carry out training needs analysis, strengthen the construction of corporate culture, and pass on the company's value.

**Shorten the Examination Period Appropriately**

Shortening the assessment cycle is considered to be an important measure to encourage and strengthen performance appraisal in human resources management.

Performance appraisal includes not only annual appraisal, quarterly appraisal, but also monthly appraisal, weekly appraisal and even daily appraisal. The survey found that short-term assessment is more conducive to personal progress than long-term one, timely detection of problems, timely feedback, timely correction, and can also minimize losses to enterprises.

For example, Zhang Ruimin, the CEO of Haier Group, put forward the "OEC Management Law" in the early stage of running the factory. The core idea of the OEC Management Law is Daily Reckoning System, which is to conduct performance appraisal every day, and urge employees to reflect on the shortcomings of their work every day, so as to truly accomplish the end of the day. In this way, it is effective to control the work errors in the initial stage and get twice the result with half the effort.

**Focus on Humanistic Care**

Paying attention to humanistic care is the key to encourage and strengthen performance appraisal in human resources management.

One of the essential purposes of motivating and strengthening performance appraisal is to help employees find their shortcomings in their work and correct them. Deduction of wages is only a disciplinary measure, not the essential target of encouraging and strengthening performance assessment. Managers should guide employees with unsatisfactory performance scientifically rather than blame them blindly.

The humanistic care of enterprises should be embodied in respect for employees. The "non-punitive punishment" adopted by KH Company in dealing with performance problems is a good example. Its core idea is to advocate the punishment of responsibility and respect. Instead of using traditional punishment methods such as reprimand, warning and unpaid suspension, it hopes that individuals can take the initiative to assume their responsibilities. Managers give their employees three opportunities before they suspend their jobs - two meetings to remind them and one paid suspension. After the meeting, the supervisor will formally prepare a memorandum of contents for discussion and give it to the employees to remind them of the specific gap between their own performance and the company's expected one, and encourage them to do what they should do, so as to live up to the company's expectations for him. This kind of respect to employees makes KH Company grow up and become stronger.

Respect and care for employees should be reflected not only in words, but also in actions. After collecting feedback from employees, if an inappropriate system is found, timely adjustments should be made to create a management atmosphere that respects employees' opinions and listens to their voices.
Improving the Incentive Mechanism

Perfecting the incentive mechanism is an important guarantee for encouraging and strengthening performance appraisal in human resources management [23].

Professor William James of Harvard University found in a survey of employee motivation that employees who are paid on time can keep their jobs by only exerting 20% to 30% of their abilities; if given adequate incentives, their abilities can be exerted to 80% to 90%. This shows that if an enterprise wants to remain invincible in the fierce international competition, it must mobilize the enthusiasm and creativity of employees, and should adopt different methods to motivate employees who perform well in performance appraisal. For example, appropriate material or spiritual rewards should be given: naming and commending in collective meetings or communicating praise in the working group; reasonable promotion and salary increase for employees who perform well.

Improving the welfare of enterprises is also a significant measure to improve the incentive mechanism. Enterprises should attach importance to and protect the interests of employees and safeguard their legitimate rights. When the company's performance appraisal policy is more rational, scientific and humanized, employees' satisfaction will be raised obviously, and employees will spare no effort to strive for the development of the company.

For example, Google has racked its brains to improve employees' happiness and acquisition. In terms of diet, the company provides free food and afternoon tea all day long, all made by five-star hotel chefs; in terms of health care, employees can basically reimburse all medical expenses, spouses and children can enjoy the same full range of benefits as employees; in terms of fitness, the company spends a lot of money to build a gym. In terms of welfare, every festival of the year, Google will prepare sincere gifts for every employee, such as the latest products or money directly. All these make the people-oriented concept vividly displayed, more able to retain talent, more business development potential.

Conclusion

Human resource management is a systematic process, aiming at fully mobilizing the enthusiasm and creativity of employees, maximizing the potential of employees, and creating more benefits.

The core of human resource management is to encourage and strengthen performance management assessment. On the basis of the theory of incentive reinforcement, it is of great benefit to explore the potential of talents and the future development of enterprises or organizations. Reasonable use of incentives to strengthen performance appraisal can mobilize the enthusiasm of employees, improve the efficiency of employees, and then enhance the profits of enterprises, and make better development of the enterprises and organizations.

Learning from successful experience at home and abroad, formulating targeted performance appraisal standards and methods, appropriately shortening the appraisal cycle, paying attention to humanistic care and improving incentive mechanism are all effective measures to play the role of performance appraisal, promote human resources management and put forward enterprise development and progress.

References


