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Performance management

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# Executive summary

The performance reward management is effective tool for enhancing the performance of the employees. Reward system developed by Thuderbox Inc. include policies, processes and practices that assures payment to employees according to their skill sets, competencies, market worth and contribution to the organization. The performance management system consists of financial and non-financial rewards. Financial rewards include pays that can be fixed and variable. Non-financial rewards include recognition, acknowledgement, praise, promotion and personal growth. The recommendations for the adoption of the reward management system is adequate for addressing the weaknesses of the company.

## Introduction

Performance management system are crucial to enhance the overall performance of the Thuderbox Inc. It is a large-scale problem because the dissatisfaction of staff is associated with their underperformance. Low performance of the staff is undermining the firm's ability to attaining organizational goals. Low productivity and participation of staff are infecting organizational efficiency. It is further linked to low productivity and efficiency. Firm’s reputation is also threatened because employees are not responding to the customer's inappropriate manner that undermines the quality of service (Karami, Dolatabadi, & Rajaeepour, 2013). Lack of motivation causes unnecessary delays in performance of a task that causes customer dissatisfaction and leaves a negative impression. Adoption of performance management system by Thuderbox Inc is focused on providing and maintaining appropriate level of pay, benefits and other rewards.

## Discussion of the issues

Analysis of the problem provides better insights into the reasons behind employee dissatisfaction and lack of motivation. Motivation is crucial for employees who are responsible for initiating a direct process. Mental and behavioural territories are the central factors behind motivation. Psychology relies on thee elements for defining motivation that include activation, persistence, and intensity. Activation is the primary phase required for attaining a goal that is missing when organizations fail to offer adequate incentives to the employees. This can also be viewed as a phase in which an individual prepares himself for the test. Persistence is the second element that reflects one’s efforts for working towards a goal. Employees refrain for putting all efforts due to distractions for the attainment of a target (Essien & Udo-Imeh, 2013). Intensity is the third crucial element that is also missing and refers to one's ability to stick to the goal. Motivation is a desire that provides energy and directs behaviour required for the completion of a certain task.

## When payments are below expectations

When employees feel that they are underpaid or their salaries are below their expectations they exhibit low motivation and high dissatisfaction. This also include other wage benefits such as health coverage from the organization and health insurance (Essien & Udo-Imeh, 2013). In such conditions employees are not willing to work with dedication and also search for better job opportunities.

## Stressful work conditions

The employees are more likely to experience low motivation when they find workplace stressful. In such conditions they fail to concentrate on their tasks that caused inefficiency and delay in delivery of a service. Overburden is another reason that creates stress for the employee and causes low motivation (Kloppenborg, 2015). The reasons for the prevalence of stress are unfair division of work among employees. This convinces employees to believe that they are discriminated and undermines their performance.

## Lack of promotions

When employees don’t get opportunities of growth their performance level is influenced negatively. They are unable to fulfil their job responsibilities with dedication and feel the pressure of changing company (Lind & Culler, 2009).

## Unfair treatment of managers

The employees also feel demotivated when they are discriminated. Absence of fair treatment at workplace is the biggest challenge faced by the company (Karami, Dolatabadi, & Rajaeepour, 2013).

## Absence of trainings

Employees are always demanding that the organization must offer them adequate trainings that allow them to develop their skills and is also crucial for personal growth. When employees don’t receive such opportunities they are demotivated (Carvalho & Junior, 2015).

## Summary of issues

The common issues faced by employees in the company that leads to low performance include inadequate pays, stressful work conditions, lack of promotions, unfair treatment of managers and no trainings. These issues undermines the performance of the employees and must be resolved for attaining high level of efficiency.

## Recommendations

## Integrating TQM approach

Team approach is also an important component of TQM that emphasize on creating a positive work environment. This allow employees to work in team and suggests collective brainstorming and discussions that directly enhances the quality. TQM focuses on team approach because it believes that each member in a team is capable of solving different problems that improve the overall efficiency of operations (Santos et al., 2007; Saunders et al., 2009).

## Recruiting right people

Human resource in organizations relies on different assessment tools to recruit the right people for jobs. However, the assessment and recruitment procedures have some advantages and disadvantages'. The advantage of the aptitude test is the time saving of the HR team as the interview takes more time and it is favourable when the number of applicants is large (Kloppenborg, 2015). The main drawback of the aptitude test is the selection of people that grab good knowledge but are incapable of performing well practically. The reliance on the referrals allows HR to recruit the people on their past behaviours and performance, but they ignore the young talent in the process (Jugdev & Muller, 2005). The advantage of the psycho test is the assessment of nature and mood of the individual that influences his work. However, the technique ignores the fact that the applicant can act more presentable at the time of interview. The advantage of interviews is the face- to- face interaction with the candidate that allows HR to question about different things that provide them with an idea of individual’s capability and skills (Essien & Udo-Imeh, 2013).

The important role of organizations is to staff capable people that produce good quality work. The selection of the right people depends on the organizational ability to choose efficient people. The Human resource management has a most effective role in the recruitment of staff for the management. The managerial staff is involved in managing the organizational work and links between different departments. The success and performance of organizations depend on the capabilities of the management staff. The effective tools that help the organization to recruit right managerial staff include the HR policy that focuses on merit and capability. HR policy directly influences the selection of management staff (Lind & Culler, 2009). The primary tool that helps the HR team tor recruit right people is the comprehensive interview session that allows HR to explore the skills and of applicants. A productive and more interactive interview results in a more effective choice. The second tool that leads to an assessment of staff includes psychometric tools and personality assessment. The psychometric tool allows assessing the motivation, work styles and skills related to customer services and management (Pinho, 2008). The competency-based assessment is another tool that involves testing and questioning related to the job and position. The reference check allows HR to learn about past experiences and behaviours of the individual. The necessary exercise of the training program includes building an effective communication system (Carvalho & Junior, 2015).

## Providing trainings

Employees empowerment stresses on giving adequate training to employees and invest in skills development. The training materials are based on performance level that suggests them to learn strategies for building strong relationship with customers. This also reflects the role of HR is hiring competent workers and investing in the right people (Chiguvi, 2016).

## Employees’ involvement

The company must engage employees in the process of developing reward and pay systems. This is essential for the creation of diverse system that addresses the concerns of all employees irrespective of their cultural backgrounds or ethnicities (Lind & Culler, 2009). This is a practical method for increasing productivity and efficiency of the employees.

## Rewarding on merit

The performance management system must be capable of rewarding employees according to their performance. The new system will focus to pay salaries and make increments are decided on the basis of individual contribution from employees. This strategy also suggests offering incentive plans to the employees that will enhance their performance. The company can integrate management bonus scheme that uses financial and non-financial performance metrics. Both financial and non-financial metrics will bee used for encouraging employees. Financial rewards that will have positive impact on the productivity include increase in salary and bonuses. The non-financial methods include appreciation, recognition, respect and promotions (Karami, Dolatabadi, & Rajaeepour, 2013).

## Enhanced communications

One of the significant strategies is to create a vision and communicating it to the employees. The company will give education to the workers about company’s values and vision. This emphasizes on promoting loyalty of employees towards organization. Another critical factor is to develop feelings of trust among employees that will encourage them to work for the attainment of organizational goals. The firm needs to discuss plans of customer focus with employees and make them feel that they are part of the decision-making process (Chiguvi, 2016). A clear demonstration of purpose also improves the level of employees engagement. This is important for explaining roles and responsibilities of the employees and how they could interact with clients in appropriate manner. A commonly adopted practice by organizations is to engage employees by assigning them the roles of brand advocates. The employees are encouraged to promote the company in their network and by training them to retain customers. It is important to assure that the strategy align with company’s mission (Awan & Rehman, 2014).

## Summary of recommendations

The strategies that the company must adopt for improving the performance management system include integrating TQM approach, recruiting right people, providing trainings, employees involvement, rewarding on merit and enhanced communications. These tactics will allow company to adopt a better system of evaluation that will assess employees according to their competencies and skills. These are the solutions to overcome the issues of employees dissatisfaction.

## Conclusion

Integration of efficient performance management systems depends on integrating certain policies and procedures such as recruiting the right people. Hired employees are then provided trainings for enhancing their overall contribution towards organizational goals. The Human resource management has a most effective role in the recruitment of staff for the management. Without efficient performance management systems the company is unable to attain organizational efficacy due to lack of employees loyalty and motivation. Different strategies can be used for improving employees performance such as paying on performance, promotions, trainings and improved communications.

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