

Problems and Countermeasures in the Performance Appraisal of Business Management in the Financial Industry

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Abstract: In the context of economic recovery, the rationalization and scientification of business performance appraisal can improve the internal environment of enterprises and improve the work efficiency of employees, while also promoting the development of the financial industry. Based on this, this article studies the problems and countermeasures of business performance appraisal in the financial industry. First of all, the performance appraisal of the financial industry is summarized, and its concepts, methods and principles, types and functions are introduced. Then, the existing problems in the performance appraisal of the financial industry are analyzed from five aspects, and the corresponding countermeasures are proposed for the current problems. Through analysis, we realize that the financial industry should formulate a long-term business strategy, implement performance appraisal in a strategic direction, and evaluate the completion of goals in a timely manner. Only in this way can financial enterprises develop healthily in the long term.

1. Introduction

With the improvement of modern enterprise management level, performance appraisal has been valued and applied by more and more enterprises [1]. Performance appraisal, as an important means of human resource management, has played a huge role in personnel recruitment, promotion, training, and rewards. But in the implementation, there have been various problems, which affect the effect of performance appraisal. How to eliminate the negative factors appearing in performance appraisal and maximize the motivation of employees is the main problem of performance appraisal research [2].

2. Overview Of Performance Evaluation In The Financial Industry

2.1 The Concept of Performance Appraisal

Performance appraisal is also called performance or achievement evaluation. Performance appraisal is the process of making value judgments using specific standards and indicators by enterprises in order to achieve production and operation purposes [3]. As a special economic organization, the financial industry's performance appraisal of its branches and employees is an important part of its management. Performance appraisal is the measurement of performance and effectiveness of the enterprise in accordance with established standards. The performance appraisal of the financial industry, as a means of supervision and control, is the inspection and verification by the superior managers of the financial enterprise branches and employees' operating results and their values. The focus is on assessing the effectiveness and the quantity and of tasks completed. From the perspective of behavior, financial enterprise performance refers to the observable work related to organizational goals completed by branches and employees; from the perspective of work results, corporate performance refers to specific work functions within a specific time and records of results from operations.

Performance appraisal is an important part of performance management. It is not a simple scoring, but a summary of the joint work of branches and employees, and based on this, find out the existing

problems in work of branches and employees in the performance evaluation cycle and then make related summary and promote it to improve work efficiency [4]. Therefore, the performance assessment of financial companies includes a series of content that branches and employees use to determine assessment indicators, specific content of assessment indicators, measurement methods, measurement time, and performance feedback to branches and employees.

Therefore, on the one hand, performance appraisal must rely on the cooperation and support of managers at all levels of financial enterprises, various branches and all employees; on the other hand, performance appraisal should reflect and guide the common interests of most branches and employees [5]. The performance appraisal of the financial industry is the core of its performance management. Only by formulating and implementing an effective performance appraisal system, can it effectively motivate branch structures and employees, fully mobilize their enthusiasm, improve the business behavior of enterprises, and make them achieve better performance and create more profits for financial companies.

2.2 Methods and Principles of Performance Appraisal

2.2.1 Performance appraisal method

The ten forms of performance appraisal commonly used now are: graph scale survey method, alternate ranking method, paired comparison method, mandatory distribution method, key event method, behavior anchor level evaluation method, goal management method, narrative method, 360° evaluation method and Colles balanced scorecard. Among these several assessment methods, the first three have the widest application range.

2.2.2 Performance Appraisal Principles

(1) Principle of process disclosure

The purpose of performance appraisal is to start the incentive mechanism and stimulate the enthusiasm of the staff. Therefore, the various processes and links of performance evaluation must be disclosed to staff.

(2) Clear principles

In performance appraisal, quantifiable data can be used and must be quantified so that people can feel, see, calculate accurately, and remember specific examples.

(3) Fully documented principles

Performance appraisal is a systematic project. Only a solid and rigorous performance appraisal of the basic work can be a convincing appraisal for employees, and a fair performance appraisal atmosphere can be created for the company.

(4) Principle of two-way supervision

The assessment, supervision and evaluation between the competent department of performance appraisal and employees must be two-way. Only two-way supervision can make employees deeply feel that the organization is always assessing itself and supervising itself, and must be stricter with self-discipline and aggressive.

(5) Principles of feedback correction

The performance appraisal must be revised repeatedly and suggestions for improvement can be made continuously in order to make the work follow a healthy cycle.

(6) Principle of fair evaluation

For performance assessment, the usual assessment is the basis, and the year-end assessment is the key. Due to this, the year-end performance evaluation must be comprehensive in order to reflect objectivity, fairness and impartiality.

(7) The principle of linking rewards and punishments

Practice has shown that performance appraisal must be linked to rewards and punishments, otherwise, the enthusiasm of employees must be discouraged.

2.3 Types of Performance Appraisal

2.3.1 Divided by time

Performance appraisal is divided into regular appraisal and irregular appraisal according to time [6]. The period of regular assessment can be one month, one quarter, half a year, or one year. The selection of the assessment time should be based on corporate culture and job characteristics. According to relevant surveys, more than 40% of the enterprises conduct monthly assessments; 23.7% of enterprises choose to combine monthly and annual assessments; 20% of enterprises conduct comprehensive assessments. 63.1% of the companies conduct monthly assessments, 58.8% of companies conduct annual assessments, 35.7% of companies conduct quarterly assessments, 27% of companies conduct semi-annual assessments, and 12.6% of companies conduct project cycle assessments. Relatively few companies conduct daily and weekly assessments. The irregular assessment has two meanings. On the one hand, it refers to the evaluation of the promotion of personnel in the organization, and on the other hand, the supervisor records the daily behavior performance of the subordinates, and finds that problems are resolved in a timely manner.

2.3.2 Divided by content of assessment

Performance appraisal is divided into feature-oriented, behavior-oriented and result-oriented according to the assessment content [7]. The characteristic-oriented assessment focuses on the personal characteristics of employees, such as honesty, cooperation, and communication skills, that is, to consider what kind of person the employee is. The focus of the behavior-oriented assessment is on the employee's work style and work behavior, such as the smile and attitude of the staff, and the way to deal with people, that is, the consideration of the work process. The result-oriented assessment focuses on work content and work quality, such as product output and quality, labor efficiency, etc., and focuses on work tasks completed by employees and products produced.

2.3.3 Division by subjective and objective

Performance assessment can also be divided into objective assessment and subjective assessment [8]. The objective assessment method is an assessment of an index system that can be directly quantified, such as production indicators and personal work indicators. The subjective assessment method is an assessment index system designed by the appraisers according to certain standards to subjectively evaluate the appraisers, such as work behavior and work results.

In summary, the assessment of personnel at all levels can be performed from the following aspects: knowledge (professional knowledge, industry knowledge, social experience, etc.), work performance, work ability (organizational ability, coordination ability, communication ability, etc.), work attitude, work methods, work efficiency, organizational discipline, moral quality, coordination, learning spirit, team spirit, cost awareness, goal achievement, performance improvement, etc. The focus of personnel assessments at different ranks are different, and the weights of points for each assessment point are not the same, but performance improvement is a content that every appraiser must include. It is a concrete manifestation of implementing the PDCA cycle of performance appraisal.

2.4 The Role of Performance Appraisal

2.4.1 Achieving the goal

Performance appraisal is essentially a process management, not just an assessment of results. It is a process of decomposing mid-to-long-term goals into annual, quarterly, and monthly indicators, and constantly urging employees to achieve and complete them. Effective performance assessment can help companies achieve their goals.

2.4.2 Mining problems

Performance evaluation is a PDCA cycle process of continuous planning, execution, and correction, which is reflected in the entire performance management process, including the setting of performance goals, achievement of performance requirements, performance implementation

amendments, performance interviews, performance improvement, and re-setting goals [9]. It is also a process of continuously finding and improving problems.

2.4.3 Distribution of benefits

Assessments that are not linked to benefits are meaningless. Employees' wages are generally divided into two parts: fixed wages and performance wages. The distribution of performance wages is closely related to employees' performance assessment scores, so when it comes to assessment, the first reaction of employees is often the payment of performance wages.

2.4.4 Promote growth

The ultimate purpose of performance appraisal is not simply to distribute benefits, but to promote the common growth of enterprises and employees [10]. The problems were found and improved through assessment, the gap was found to be promoted, and finally a win-win situation was achieved. The focus of application of performance assessment is pay and performance. Salary and performance are two inseparable links in human resource management. When setting the salary, the salary has generally been decomposed into fixed salary and performance salary. Performance salary is reflected through performance. Employee performance evaluation must also be performed on salary, otherwise performance and salary will lose their motivating role.

3. Problems In The Performance Evaluation Of The Financial Industry

3.1 Blurred Concept of Performance Appraisal

At present, most appraisers cannot determine the concepts and standards of performance. The starting point and focus of business management should be the performance evaluation of related finance, so the important content of the evaluation should be determined so as to achieve the purpose of management. Under the current system, the performance appraisal of financial aspects in business management is coordinated by other departments first recommended by the Ministry of Human Resources, but in actual operation, the performance appraisal completely falls on the Human Resources Department. Others use various methods to protect the staff of the department, they scored high during self-evaluation and internal mutual evaluation, and excessively lowered the score of the other party during the mutual evaluation of the department, making it difficult to reflect the true working standards of personnel, and the performance evaluation results were not good.

3.2 Unreasonable Performance Appraisal Standards

The evaluation methods are not correct, the assessment indicators are ambiguous, the assessment system is unreasonable, and the contradictions in assessment contents are common in enterprises. The reason for the above problem is that the human resources department is the master of the assessment. Due to the limited power of the human resources department, the content of the assessment will be limited. When the human resources department formulated the assessment methods and standards, the purpose of the work was too strong, so the effect of assessment is difficult to reflect. In addition, the assessment standards and methods are determined by the wishes of some leaders, and the function of performance assessment is not valued. At the same time, the basis of performance assessment is too single. The main content of the assessment is business ability. There is no comprehensive evaluation of the physical and mental strength of employees. Therefore, most of the results of performance assessment are not scientific, and the function of performance assessment is not fully utilized.

3.3 Incomplete Performance Appraisal System

On the one hand, the design of the performance appraisal system of financial companies is not scientific and reasonable, but only for the purpose of designing the appraisal system; on the other hand, under certain circumstances, the design of the performance appraisal system and the personal will of the leader are mixed, which is difficult to ensure the continuity and objective impartiality of the assessment policy. In addition, the indicator design of the financial enterprise performance

evaluation system has a "one size fits all" phenomenon, the indicator design is the same; the evaluation indicators designed only for task, and the setting of the indicators is too detailed.

3.4 Single Means of Performance Evaluation

The performance appraisal of financial companies is limited to the evaluation of business indicators and business positions, and it has always lacked an effective method for the operation of brain and physical labor, complex labor and simple labor, and business positions and management positions to evaluate, so the decisions made based on the results of performance appraisal are not scientific enough. In addition, there are many accidental factors and unpredictable reasons for the performance growth of branches and employees. For example, the branches and employees of the financial institutions being evaluated are always in a constantly changing external environment. Some are common factors and some are variability factors. If managers of financial companies ignore the common and variability factors that affect performance, they will influence decision-making.

In addition, performance appraisal should be equated with performance management. Performance management is a complete management process of an enterprise, including performance planning, performance assessment, and performance feedback. The purpose of financial companies to implement performance management is to improve the performance of branches and employees, and ultimately achieve strategic goals.

3.5 Disjointness between Performance Appraisal and Business Strategy

A reasonable performance appraisal system should be an effective tool for the implementation of corporate strategy. However, from the actual situation, many companies have not used performance appraisal as an effective tool. Many companies just combine salary with performance, or they just treat performance appraisal as pure. As an inspection tool, few companies have used the performance evaluation of the enterprise to implement the business strategy of the enterprise, complete the business goals, cultivate the ability of employees, change the corporate culture, and assist employees in career planning.

The main reason is that many companies do not set reasonable assessment target settings and perform target decomposition based on scientific basis and business management needs. In the process of issuing assessment indicators, it is relatively random and lacks persuasion. For example, when companies formulate economic responsibility letters every year, they often use a "bottom-up" feedback procedure, and the grass-roots departments submit the work goals of their departments. After the company reviews, the company sets the assessment standards according to this goal. In the long run, the department cannot objectively and practically determine the performance evaluation goals of the department. There are "underreporting" and "hidden reporting". It is more to look inside the department instead of looking upwards to focus on the company's strategy and overall operating performance. The company did not consider the company's strategy when reviewing the goals proposed by the department, but discussed the department's goals for the work of the department.

4. Countermeasures For Improving Performance Appraisal In The Financial Industry

4.1 Clarify the Purpose of Performance Appraisal

Because only when the purpose of performance appraisal is clear, when formulating performance appraisal, there will be directions and goals, and the function of performance appraisal can be better exerted. If you want to formulate effective performance assessment methods and standards, you must solicit opinions, then summarize and analyze everyone's suggestions, and work out a complete performance assessment system.

4.2 Improve Performance Evaluation Standards

The performance appraisal standards should be designed by all members of the enterprise and have comprehensive standards. Its characteristics are to ensure the scientificity and effectiveness of the performance appraisal work. The goal it wants to achieve is to allow all employees to participate

in performance appraisal work, to fairly reflect the work results of each employee, to improve their deficiencies in a timely manner, and to maintain their own advantages. To implement a comprehensive performance evaluation in the performance evaluation of financial aspects in business management, it is necessary to increase the performance of performance management, strengthen information feedback and communication, and not use work results as the sole evaluation indicator, let financial indicators close integration with non-financial indicators. In addition, the imperfection of the existing financial system is also a major factor affecting performance evaluation. To improve the management level of the financial industry, the financial industry system needs to be continuously improved. Only when the parent system is perfected can each subsystem be gradually developed and improved. Organizational systems such as execution, decision-making, and supervision can be established.

4.3 Implementing a Comprehensive Performance Evaluation

In the industrial and commercial finance industry, the reasonable design of performance assessment indicators should be fully staffed to ensure the scientific effectiveness of performance assessment and to prevent employees from misunderstanding the performance assessment system. The entire performance evaluation process should involve all employees to participate in and supervise, and use the appropriate form to feedback the results to employees in order to promote and guide the business development of the industry and commerce, ensure the fairness and rationality of the performance evaluation, and enhance the performance management of industrial and financial enterprises. On the one hand, in order to carry out a comprehensive evaluation of the branches and employees of financial enterprises, while assessing the results of their work performance, they must also conduct a comprehensive evaluation of their work process, giving up the traditional one-sided assessment of pure results. Performance appraisal should be able to help branches and employees improve their working ability and performance, and improve the performance appraisal mechanism. On the other hand, financial indicators are mostly based on accounting data, and the shortcomings of accounting data may also be brought into financial indicators. Although some financial indicators have been adjusted to eliminate distortions in accounting information, this also causes the indicators to become more and more complex, which weakens the understandability of the indicators. Therefore, non-financial indicators need to be introduced to make up for the shortcomings of financial indicators, so that performance evaluation indicators can comprehensively and objectively reflect the operating status and development prospects of financial enterprises.

4.4 Recognize Objectively the Relationship between Assessment Results And Rewards And Punishments

The performance evaluation of the industrial and commercial financial industry can not only fully mobilize the initiative of branches and employees to improve their work performance, but also continuously improve the internal management of the enterprise and effectively guide the financial industry in the right direction. This requires the results of the assessment strengthen employee incentives and constraints, and in the performance assessment, they do not carry their own subjective opinion, allowing employees and managers of financial companies to clarify their own behavior and corporate development direction. In the performance evaluation, outstanding employees should be the key training objects, develop feasible training plans, provide good opportunities, give employees a heavy responsibility, exercise their ability to deal with complex problems, and promote the enthusiasm of employees to work and promote the industrial and commercial finance industry smoothly develop.

5. Conclusion

With the advent of the post-financial crisis era, the global financial system is constantly innovating and evolving. The competition in China's financial industry is even more severe. The organizational structure and operating models of financial institutions are undergoing tremendous changes. In this context, strengthening financial performance appraisal in business management is

very important and necessary. Creating scientific and practical performance appraisal methods and standards is a process. Scientific and practical financial performance appraisal can better promote the development of the financial industry, thereby further realizing the goal of sound and fast economic development. Financial institutions should establish and improve performance appraisal systems, formulate implementation methods of performance evaluations, brainstorm ideas, solicit employees' opinions, objectively evaluate the management performance of financial institutions at all levels, and promote the healthy and sustainable development of financial enterprises.

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