

Understanding and Continuously Promoting Enterprise Performance Management from the Perspective of PDCA Cycle

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ABSTRACT. *In the environment of fierce market competition, performance management has been paid more attention in the operation of enterprises. Many enterprises have adopted various advanced management methods to improve their performance. Among them, PDCA quality cycle method, as an advanced and scientific basic management method introduced from abroad, is of great help to promote enterprise performance management. Based on the PDCA cycle model, this paper discusses the performance management of enterprises in China in four parts: defining objectives, analysis and guidance, evaluation, diagnosis and optimization, and puts forward suggestions for enterprises to better achieve the objectives of performance management.*

KEYWORDS: *performance management; enterprise; PDCA cycle*

1. Introduction

Many enterprises do not have a comprehensive and thorough understanding of performance management. They regard performance management and performance appraisal as the same thing. Moreover, in the actual enterprise survey, it is found that most employees of enterprises have low recognition of the current performance appraisal work. They think that the purpose of performance appraisal is to deduct employees' bonuses and pick up employees' errors. This idea and recognition is very wrong, which also reflects the imperfection and imperfection of the current performance management work. Only a correct understanding of the nature of performance management can fundamentally promote the smooth development of enterprise performance work.

2. The Concept of Enterprise Performance Management

Enterprise performance management refers to the cyclic work process in which

the leaders and employees participate in order to achieve the objectives of the tasks at all stages within the enterprise. It mainly includes planning, analysis and guidance, assessment and evaluation, and application of the results [1]. The purpose of enterprise performance management is to help employees upgrade their performance through effective restraint and incentive mechanism in the process of achieving performance goals. In this process, the performance evaluation is done well, and the insufficient links are analyzed and coached, so that employees and teams can work together to achieve enterprise performance goals.

3. PDCA Cycle Concept

PDCA cycle can also be called Deming Ring. It was first put forward by American quality control expert Dr. Shewharton. It was emphasized and propagated by Dr. Deming and eventually became a universal concept of basic management. PDCA stands for four English words, which have a detailed meaning. P: plan, representing the determination of objectives and plans; D: do, representing the formulation of detailed implementation plans based on clearly defined plans and objectives, and taking operation; C: check, representing the inspection process of the effectiveness of the implementation process, including summarizing the implementation results, identifying deficiencies and problems; A: action, representing the process of processing the inspection results, evaluating the results and solving the problems; A: action, representing the process of processing the inspection results, evaluating the results and solving the problems. Topic [3].

4. Application of PDCA Cycle Theory in Enterprise Performance Management

4.1 P: Targeting

In order to achieve the performance goals better, enterprises need to decompose the objectives in detail. According to the development direction and strategy of enterprises, the overall performance of enterprises is decomposed into departments, and then the performance objectives of departments are decomposed into groups and individuals. The formulation of performance objectives is not the work of one or more decision makers, but requires all participants to participate in communication and collaborative formulation. This is because the achievement of performance goals requires not only the cooperation between the upper and lower levels of enterprises, but also the approval and support of the assessed. Only by collective efforts can the achievement of the goals be achieved. In this process, a key goal may be on the critical path, requiring repeated communication and exchanges between the upper and lower levels of the enterprise, not monopolizing the work at a certain level, so that the expected goal can not achieve the final results. In the process of formulating goals, we should also pay attention to the clarity, quantification and operability of the goals. This requires that the objectives be formulated in accordance with the actual operation of the enterprise, and assign tasks rationally according to the size of the goals and the abilities and qualities of the employees, so

as to eliminate the phenomenon that the goals are too difficult to achieve or that the goals are not difficult and need no effort. Because, no matter if the goal is too difficult, it will attack the enthusiasm and self-confidence of employees, and make them conflicting with the performance goals. If the goal is not difficult, it will cause employees to be lazy and despise the performance goals. Therefore, no matter which level of enterprise performance goals are set, the rationality of goal-setting should be carefully considered.

4.2 D: Analytical Counseling

The purpose of determining performance objectives is to limit what results the enterprise should achieve and when it should complete. However, if we want to achieve the expected results smoothly, we need to observe the implementation process and provide analysis and guidance. After setting the actual performance goals, most of the goals are not in a straight line way, but in a progressive way, which is cyclical. There are many reasons, including external environmental impact, unreasonable allocation of resources, lack of work experience, inadequate work ability, negative attitude of employees, and so on. When the above situation occurs, managers and supervisors at corresponding levels should carefully find out the causes and difficulties of the deviation, analyze the actual situation, provide professional guidance to the assessors based on past experience, provide technical and environmental support, help the assessors to complete performance tasks, create a friendly and upward working atmosphere within the enterprise, and promote the enterprise as a whole. Improvement of performance effectiveness.

4.3 C: Assessment and Evaluation

The main task of the assessment stage is to evaluate the performance of the examinees in the previous period and report the detailed report to the superior leaders. Assessment and evaluation mainly includes the following steps: self-assessment and summary of the examinees; ranking and evaluation of relevant managers; analysis and feedback of assessment structure, etc. In this process, it should be noted that the self-evaluation process of the examinee should also have clear criteria to ensure the operability and rationality of the evaluation [4]. One of the difficulties in the evaluation stage is how to ensure the absolute fairness of the evaluation. Because some performance evaluation criteria are not perfect, the quality of the examinees is not uniform, and various objective factors are prone to appear in the evaluation process, it is necessary for the management personnel to review the performance of the examinees at ordinary times, and to make special analysis for special cases so as to avoid the occurrence of them. Unknowingly flexible assessment and evaluation of psychological errors, to achieve the highest objectivity and fairness of the evaluation results. After the assessment results are obtained, the performance managers can not report immediately. They need to communicate face to face with the assessee to determine the authenticity and objectivity of the performance results. In addition, performance managers also need to motivate and

reward those who have exceptionally good assessment results, analyze and help those whose assessment results are not up to the standard, and achieve the goal of improving the overall quality of employees in enterprises.

4.4 A: Diagnostic optimization

The main object of diagnostic optimization includes not only the examinee, but also the performance manager. Performance managers should work with the assesseees to find out the crux of performance, specifically analyze the difficult problems, find out the key nodes to deal with, and find ways to improve the working ability and positive attitude of the assesseees. In addition, we also need to diagnose the overall performance management system of enterprises, improve and optimize the performance management system, and achieve better economic development of enterprises.

5. Concluding remarks

In summary, the performance of enterprises is the most important form of enterprise development. In order to adapt to the fierce competition of market economy, enterprises need to constantly improve performance management. The application of PDCA cycle is a good way to optimize the enterprise performance management mode. Through the four steps of PDCA cycle, we can effectively avoid the misunderstanding of performance appraisal, improve the performance management system of enterprises, enhance the overall working ability of enterprises from individuals to the whole, and promote the competitiveness of enterprises in the market.

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