Research on the Path of Improving Human Resource Performance Management in Enterprises under the Digital Economy

Liang Li[a*], Haoyu Lyu[b*]

Dalian Public Transport Construction Investment Group Co., Ltd, Dalian, China

[a*]289118940@qq.com, [b*]lvhaoyu@dltransgrp.com

Abstract. Currently, the rapid development of digital technology has successfully propelled various fields and industries into the digital economy era, and digital development has become an inevitable trend for enterprises to transform. This article is based on the traditional performance management system and analyzes the problems of human resource performance management in enterprises under the background of digitalization. Combining with the transformation of human resource digitization in local state-owned enterprises, it explores the improvement direction of performance management, which provides important reference for building a performance management model in enterprises under the digital economy.

Keywords: Digital economy, State-owned enterprises, Performance management, Upgrade Path.

1 Introduction

The digital economy is a new system that transforms the economy and politics in society into a new situation, endowing it with new connotations of industrial upgrading and high-quality economic development, namely digital empowerment and innovation driven. Under the booming development of the digital economy, organizations are inevitably facing a "transformation" after the impact. As an important pillar of the national economy, state-owned enterprises have embarked on the "fast lane" of digital development. Talents are the primary productive forces, and in fact, the innovation drive of the digital economy is also the drive of talents. The Overall Layout Plan for the Construction of Digital China in 2023 points out that "building a digital China is an important engine for promoting Chinese path to modernization in the digital era, and a strong support for building a new competitive advantage of the country". With the close integration of digital technology with various fields, the demand for digital talents is also constantly increasing. Therefore, it is of great significance to stimulate the potential of talents, continuously optimize human resource management through performance management, clarify the relationship between digital transformation and

enterprise performance management transformation, and explore the path to improve enterprise performance management in the digital economy.

2 The Importance of Improving Enterprise Performance Management in the Digital Economy

The essence of digital transformation is to apply digital concepts to specific business processes, benefit customers, and achieve the improvement of new quality productivity. The essence of enterprise digital transformation is the process of organizational change and development. The digital economy has forced increasingly fierce competition among enterprises, coupled with changes in the external market environment, leading to increasingly prominent challenges in enterprise performance management. Therefore, in order to adapt to this change, enterprises need to constantly make internal adjustments, such as digital strategic capabilities, innovation driven capabilities, construction and restructuring capabilities, etc., to improve operational efficiency and enable enterprises to respond more agile to various challenges and opportunities in the environment. Especially for state-owned enterprises, facing the rapid development of the digital economy, their strategies, markets, and business models also need to be integrated with industrial integration and upgrading. This poses new challenges for state-owned enterprises to explore new markets, form new commercial trends, and reshape the new structure of the industrial chain. Digital technology can more accurately measure employee performance, stimulate employee motivation and creativity, optimize resource allocation, achieve maximum resource efficiency, and promote innovative development of enterprises. In the digital economy, only by continuously improving performance management level can enterprises stand invincible in the digital economy era.

3 Analysis of the Current Situation of Enterprise Performance Management

3.1 On the Concept of Enterprise Performance Management

The fierce competition in the external market forces enterprises to constantly reform and innovate, improve performance management capabilities, and promote standardized and high-quality development of enterprise management models. At present, many enterprises have a one-sided and limited understanding of performance management. For example, performance appraisal is performance management, and performance work focuses on "assessment scoring", neglecting or even avoiding the supervision and management of the entire process of performance appraisal. Performance management is seriously disconnected from strategy, and performance indicators cannot be used as a true strategic support tool. This will lead to rigid enterprise management, organization and individuals becoming lagging behind, and employees gradually reducing their recognition of the enterprise performance system, affecting

their initiative, enthusiasm, and creativity, thereby affecting the overall improvement of organizational efficiency and restricting enterprise development.

3.2   The Issue of Performance Evaluation Indicators

Scientific and fair evaluation indicators will directly affect the results of performance evaluation. However, at present, some enterprises often overlook the actual development needs of the enterprise when designing evaluation indicators. For example, the definition of performance evaluation indicators is vague and lacks clarity, which can lead to a game of opposition between managers and evaluation objects. Performance evaluation indicators only focus on certain specific indicator dimensions and are not comprehensive. The subjective judgment component of the standard for setting indicators is relatively heavy. The periodicity of quantitative indicators cannot effectively reflect sustainable development, and the correlation between organizational and individual levels is relatively low. The differences between indicators and the solubility of overall goals. In summary, the determination of performance evaluation indicators should follow the PDCA principle, which can not only undertake strategies but also promote business development.

3.3   The Selection of Performance Evaluation Tools

To ensure the achievement of strategic goals, enterprises often adopt diversified approaches to performance management, Scott Douglas pointed out that selecting appropriate performance evaluation tools and methods can not only improve employee motivation, but also enhance organizational identification and encourage employees to fully devote themselves to their work[1]. At present, there are two types of employee performance evaluation methods. One focuses on "O", which is the achievement of goals, and the other focuses on "K", which is the completion of indicators. Enterprises should fully consider various factors such as current development stage, personnel size, and enterprise cost investment, and select the most effective matching tools and methods. It is necessary to consider the compatibility and flexibility of performance tools and strategies, comprehensive evaluation and practicality, reliability and validity, and many other aspects. Of course, the emergence of informatization and digitization has provided a basis for enterprises to accurately implement performance evaluation and "prescribe the right medicine".

3.4   The Issues of Performance Communication and Feedback

The purpose of performance management is to achieve a win-win situation between organizations and individuals through performance evaluation, therefore, performance dialogue is particularly important. In fact, many companies often exhibit a phenomenon of "emphasizing assessment over process" in performance management, neglecting the role of performance communication and feedback. Performance dialogue should pay attention to grasping communication frequency and skills, seizing the charm of language, and letting employees know their future improvement direction and methods.

The digital economy provides rich communication channels and tools for this, such as instant messaging software, which can break time and space limitations, allowing managers and employees to engage in precise dialogue. It not only provides targeted data support, but also facilitates subsequent review and continuous improvement.

4   Analysis of the Path to Inproving Human Resource Performance Management in Enterprises under the Digital Economy

4.1   The Application of Digital Technology in Performance Management

In the era of digital economy, enterprises can use digital technology to build a digital model of human resource performance management, as shown in Figure 1. By using AI to comprehensively match and analyze the actual employment needs of enterprises with the candidate situation, precise allocation of digital talents can be achieved, accurately helping enterprises determine training needs and employee development demands. Intelligent performance management tools such as performance evaluation and analysis systems can be provided to help enterprises more efficiently design performance management and incentive mechanisms. At present, state-owned enterprises are facing the historic task of "deepening the reform of state-owned assets and enterprises, accelerating the optimization and structural adjustment of state-owned economy layout, and enhancing the core competitiveness of enterprises". The three institutional reforms, as key links and fundamental content of state-owned enterprise reform, are the driving force mechanism and effective way to promote high-quality development by building a market-oriented operation mechanism[2]. Performance management, as an effective promoter of the three institutional reforms, plays an important role in scientific evaluation, effective motivation, and refined management. Digital technology can achieve automated collection and analysis of performance data, as well as real-time monitoring and feedback of employee performance. By utilizing database technology to establish an objective and intelligent performance evaluation system, it can help enterprises achieve strategic goals and promote high-quality development [3].
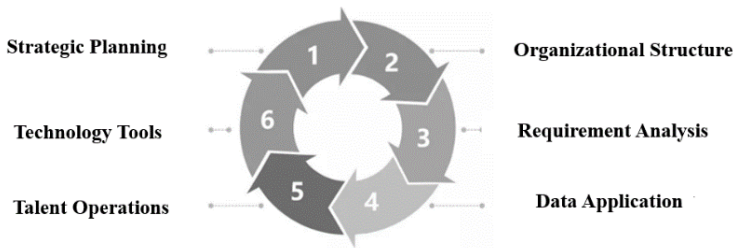

Fig. 1. Framework for Digital Transformation of Human Resources

4.2   Cultivating Performance Management Talents Adapted to the Digital Economy

In the digital age, human resource performance management relying on digital technology can help enterprises discover more outstanding talents and promote digital transformation and upgrading. At present, state-owned enterprises generally implement a salary system based on positions and job levels, which is not conducive to the formation of a virtuous competition for talent that rewards the good and punishes the bad. Some employees believe that the same amount of work cannot strengthen the talent pool of the enterprise. Therefore, for state-owned enterprises, the first step is to establish a digital talent incentive mechanism, attract and introduce composite digital talents who understand business and know management through market-oriented selection mechanisms, and enrich diversified incentive measures. In the process of enterprise digital transformation, talents who play important roles are provided with more flexible working environment and welfare benefits through bonus dividends, project commissions, equity incentives, etc., strengthening innovative thinking, and building a more competitive talent team. We need to enhance employees' digital skills and data analysis abilities, while also constantly paying attention to talent mobility and diversity[4].

4.3   Optimize the Performance Indicator System and Establish a Flexible Performance Evaluation Mechanism

Digitalization empowers enterprise performance management to ensure effective decoding of corporate strategy. Based on the development strategy of the enterprise, multi-dimensional and diversified performance evaluation and dynamic management are carried out to form a comprehensive performance management of "process & result", coordinate the various interests in the development of the enterprise, strengthen strategic execution and control, and synergistically activate internal and external relationships. A comprehensive evaluation system covering the entire process and elements of project management is established to promote the comprehensive improvement of organizational efficiency. Therefore, a flexible performance evaluation mechanism is more suitable for the development of enterprises. While conveying responsibility, it can also stimulate employee enthusiasm, strengthen responsibility, and help enterprises better focus on employee value contribution and personal growth. Improve performance evaluation methods through big data technology, construct systematic performance evaluation indicators, and innovate human resource performance management models[5].

4.4   Strengthen Data-Driven Performance Management

Data driven can provide objective and accurate evaluation criteria, and the digital economy provides an important basis for human resource performance management decisions in enterprises, as shown in Figure 2. Therefore, it is necessary to establish a comprehensive data system, set clear performance indicators and goals, regularly

conduct data analysis and review work, and make timely adjustments to problems found in performance management. In the process of performance management, attention should be paid to the linkage between individual basic data information, performance dynamic data, and performance improvement data, and artificial intelligence technology should be used to achieve real-time monitoring and prediction of employee performance. The big data platform has played an important role in integrating employee performance data management, in-depth analysis of performance results, and innovative human resource performance management systems.

Fig. 2. Schematic diagram of digital intelligent performance management system

5   Conclusion

This article provides an in-depth analysis of the problems and pain points in human resource performance management in state-owned enterprises under the digital economy. Based on the digitalization of new economy, new formats, and new models, it is proposed that enterprise human resource performance management should pay more attention to data-driven, intelligent, and flexible management. Enterprises can help improve human resource performance management and enhance their competitiveness and sustainable development capabilities by introducing digital performance management and evaluation systems, and cultivating digital talents.

Reference

1. Scott Douglase. (2017) Gaming the system: building an online management game to spread and gather insights into the dynamics of performance systems. Public Management Review, 21(10): 1560-1576. DOI: 10.1080/14719037.2019.1571277.
2. Salvadorinho Juliana, Teixeira Leonor.(2023) Happy and Engaged Workforce in Industry 4.0: A New Concept of Digital Tool for HR Based on Theoretical and Practical Trends. Sustainability,15(3). DOI: 10.3390/su15032781.
3. Chen X, Wei S. (2020)The impact of social media use for communication and social exchange relationship on employee performance. Journal of Knowledge Management, 24(6): 1289-1314. DOI：10.1108/JKM-04-2019-0167.
4. Bledow R, J Kühnel, Jin M, et al. (2021) Breaking the Chains: The Inverted-U-Shaped Relationship Between Action-State Orientation and Creativity Under Low Job Autonomy. Journal of Management, 48(4): 1-31. DOI：10.1177/0149206321996812.
5. Audenaert M, Decramer A, George B. (2021) How to foster employee quality of life: The role of employee performance management and authentic leadership. Evaluation and Program Planning, 85(1): 101909. DOI: 10.1016/j.evalprogplan.2021.101909.