



Adapting Performance Management Systems to Meet the Preferences and Expectations of Young Employees in the Internet Industry: A Comparative Analysis

Shuo Li

Business School, The University of Glasgow, Glasgow, G128QQ, United Kingdom

shuoshuo19990420@gmail.com

Abstract. In the fast-growing internet industry, performance management systems are vital in improving employee productivity and ensuring that individual contributions are aligned with organizational goals. In particular, today's young people who have just graduated from university and entered the workforce have unique preferences and expectations, so traditional performance management methods must be re-evaluated. This study will use a comparative analysis method to compare multiple Internet benchmarking companies in different countries, collect comprehensive data from leading Internet companies, and deeply analyze employee preferences and expectations. The purpose of this paper is to explore the preferred performance management system of contemporary young employees in the Internet industry and to identify the key characteristics that can improve their engagement, satisfaction, and performance. The study results show that younger employees prefer performance management systems with clear and transparent goal setting, frequent and constructive feedback, career development opportunities, and a focus on work-life balance. Specifically, the OKR (Objectives and Key Results) system and continuous performance feedback mechanisms are considered particularly effective.

Keywords: Performance management, internet industry, young employees, Objectives and Key Results, career development.

1 Introduction

With the development of the times, the Internet industry is becoming more and more popular among young people [1]. Similarly, affected by the epidemic before and after, the Internet industry has also suffered a lot of blows from multiple dimensions. There have been certain changes in the recruitment conditions and the performance system. The success of Internet companies relies heavily on the creativity and productivity of their employees [2]. The performance management system is designed to motivate employees and improve work efficiency [3]. The rapidly changing and highly competitive nature of the Internet industry requires performance management systems to be more flexible and dynamic [4]. Companies need to constantly innovate and adapt to market changes, so some traditional annual performance reviews are no longer applicable

[5].In the post-epidemic era, the Internet industry is very sluggish, and more and more candidates have higher and higher requirements for job opportunities. In this article, we will review the existing research and literature to explore how the Internet industry can attract more talented people by changing performance standards.

Performance management has been analyzed in the previous literature. A performance management system is a method of improving organizational effectiveness by setting goals, evaluating employee performance, and providing feedback [6], to ensure that employees' activities and outputs are aligned with organizational goals to better drive personal development and overall company progress [7]. At the same time, there are many classical performance management models in previous analyses, such as management objectives (MBOs), key performance indicators (KPIs), and 360-degree feedback [8]. This is often used by internet companies to develop their performance systems.

Similarly, past research has shown that younger employees prefer performance management systems that provide immediate feedback and frequent communication [9]. They expect to be involved in the process of setting performance goals and expect performance reviews to reflect teamwork and innovation [10].

Therefore, this paper aims to analyze the views of contemporary young people on the performance system and compare the current situation of some companies in the Internet industry, and point out the development direction for the future of related industries.

2 Analysis

Enterprises often use a variety of different models to consider and launch their own performance models, especially in the Internet industry.



Fig. 1. The Performance Management Cycle [11].

As shown in Figure 1, The Performance Management Cycle is often used to set goals that drive overall performance improvement for employees and the organization

through continuous feedback, rewards and development [12]. Take Google, Amazon and Facebook as an example.

2.1 Goal Setting

A clear strategy and goals can help employees fully understand the future development direction of the company, and employees can also have a clearer understanding of whether their future development plan is consistent with the company. Again, this serves as a motivating employee. While increasing engagement and accountability, specific and challenging goals can motivate employees to work harder but also need to be mindful of the rationality of the goals [13]. For example, Google uses an OKR methodology, setting challenging and measurable goals and key results every quarter; Amazon uses a KPI system, with clear performance indicators for departments and employees, emphasizing quantifiable results; Facebook is set quarterly, emphasizing the team's goals in combination, growth and development, which is different from the others.

2.2 Evaluation Cycle

The evaluation cycle means a fair evaluation system, and every employee can see their future development path and compete fairly. It can help companies identify high-performing employees and motivate them to continue to perform by rewarding them, which may include salary increases, direct incentive compensation, and rank increases. Similarly, problematic employees can be identified promptly, and provided with support and resources, and suggestions for correction or optimization can be considered. Google employs quarterly assessments and reviews; Amazon has semi-annual reviews and total annual reviews, while Facebook reviews quarterly and semi-annual reviews, which are generally more frequent than other companies.

2.3 Feedback Mechanisms

The feedback mechanism is very important, and a timely and efficient feedback system can help employees effectively improve the deficiencies in their work and avoid problems. Sustainability feedback mechanisms can help encourage continuous learning and growth. Based on the feedback, you can develop your future development plan to improve your skills and knowledge and advance your career [14]. Google has a regular feedback mechanism and 360-degree feedback between colleagues and leaders; Amazon mainly focuses on superiors and subordinates, and attaches more importance to the evaluation of direct supervisors; Facebook emphasizes an open feedback culture that encourages timely feedback, timely processing, and timely communication.

2.4 Incentives and Disincentives

Incentives (which may include bonuses, stock options, promotions, etc.) encourage employees to strive for excellence and meet or exceed performance goals. This incentive

directly increases employee productivity and efficiency. Similarly, by setting up punishment mechanisms (such as warnings, demotions, dismissals, etc.), employees can be motivated to change their current sluggish work status. A better and more transparent reward mechanism will also attract more powerful talents to enter the company, especially in the highly competitive Internet industry. Top talent is often attracted by high salaries and good incentives [15]. Google's performance is directly linked to bonuses and promotions, and more focus on the intrinsic motivation of employees; Amazon's performance determines compensation, promotions, and equity awards, with a greater focus on results; Facebook's performance is also related to pay and promotion, but it's more focused on future opportunities for employees and their roles.

3 Discussion

Google uses the Objectives and Key Results (OKR) system to align employees' personal goals with the company's strategic goals. By setting clear goals and providing regular feedback, the performance management system significantly improves the efficiency and productivity of employees; Facebook's 360-degree feedback system not only regularly evaluates employees' performance, but also takes into account their future career development plans and growth needs [16]. A representative performance management system can help employees identify their strengths and weaknesses, so that the company can provide appropriate training and development opportunities to promote employees' professional growth; Amazon's performance management system evaluates employee performance through clear KPIs (Key Performance Indicators), ensuring fairness and transparency in the evaluation process and results. Clear performance standards and a transparent evaluation process can increase employees' trust in the company, reduce internal conflicts and dissatisfaction, and make employees more willing to work for the company.

However, under the influence of the high-intensity work of Internet companies, there are also many drawbacks in the final formulation of performance. Amazon, Google, and Facebook is known for its high-intensity work environment, and while the work is productive, it has also sparked a lot of discussion about employee health and work stress. Employees place too much emphasis on performance, which can lead to intense pressure and fierce competition, which can eventually lead to the formation of malicious competition [17, 18]. Working long hours at high intensity can lead to a surge in stress, causing employees to suffer from physical and psychological illnesses, which can also affect job satisfaction; In the same way, what the Internet industry needs most is innovation, which will lead to a proliferation of goals. Focusing too much on short-term performance goals can overshoot the long-term development of employees and the company's strategic planning. Employees may be more inclined to choose short-term projects that lead to rapid performance gains rather than innovation and R&D efforts with long-term value. The achievement of short-term goals also means an increase in job turnover.

At present, the focus of the formulation of the performance system of Internet companies needs to be on the clarity of objectives, the timeliness of feedback, and the

fairness of evaluation. But at the same time, you need to pay attention to the degree of achievement of the goal and not put too much pressure on the employees.

The first is the performance appraisal system, as well as its transparency and fairness. young people want to understand the criteria and pathways for promotion and believe in the fairness of the system. Enterprises can make the promotion system completely transparent, and publicize the appraisal system and cycle, such as TikTok (ByteDance), which is a quarterly performance evaluation that combines self-awareness evaluation and supervisor evaluation. Employees can have a certain understanding of themselves, and at the same time, they can also understand their strengths and weaknesses through their direct leaders. This allows high-performing employees to be promoted quickly, while the poorer ones are optimized. Competent employees are more likely to stay in places where there are opportunities for steady improvement. Secondly, taking Tencent as an example, it pays more attention to the long-term development and training of employees, and the investment of resources in the early stage will pay off in the future. At the same time, it will provide employees with a dual-channel promotion path of technology and management, including two aspects: technology itself and team leadership, so that employees can consider more directions for their future development. This is a reflection of the self-drive and flexibility that employees prefer, with young people preferring a highly autonomous, flexible work environment, and companies that allow for cross-departmental development and diverse career paths.

Finally, there is the cultural identity and values of Internet companies, and employees expect the company's culture and values to be consistent with their philosophy and work in a meaningful environment. Although the pressure of the Internet environment is very great, there are still many young people who are willing to join it, not only because they can achieve the performance goals set by the company through their efforts and get more salaries, but also because they can learn job skills that they did not have in the past through the motivation generated by pressure, which can be used for themselves in the future.

4 Conclusion

Today's young people have different expectations of performance systems compared to traditional models. They prefer systems that are transparent, fair, flexible, and focused on personal development and work-life balance. Transparent rewards, promotion mechanisms, and employee engagement recognition are essential to help employees understand how hard work translates into rewards and promotion opportunities, fostering a sense of belonging and motivation. Clear goals, evaluation criteria, and multi-channel feedback mechanisms are necessary to make employees more aware of the gap between their performance and goals and to allow for comprehensive self-evaluation through 360-degree feedback from colleagues, superiors, and subordinates. Internet companies need to offer continuous learning and development opportunities, create personalized development plans based on employees' interests and future career goals, and provide training and learning opportunities to support career growth. Additionally, fostering innovation and creativity is essential to motivate employees. Companies can establish

innovation programs and incentives to encourage employees to generate ideas and innovative solutions, providing resources to support the implementation of those ideas. Cultivating a culture that encourages innovation and risk-taking will empower employees to try new things and tackle challenges. In the future, Internet companies must adapt their performance management systems by incorporating these elements and updating performance standards based on employee feedback and real-time data. While it's important to consider the preferences of young people, companies must balance these preferences with broader organizational needs to choose the best solutions.

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