

# Exploring the factors that affect employee performance

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**Abstract.** Enterprise innovation and development are inseparable from the gathering of talents, for the long-term development of enterprises, the stability of employees is particularly important, and employee performance directly affects the vital interests of employees. Correct understanding and scientific understanding of the factors affecting employee performance plays a decisive role in improving employee performance and ensuring the realization of corporate goals. This article explores the internal and external factors that affect employee performance by reviewing previous literature. This article found that the personal competence of employees, their emotional commitment, basic compensation and benefits, organization management, organizational commitment, and work design are the main influencing factors. Therefore, it is recommended that enterprises focus on cultivating employees' work abilities and improve their performance through reasonable management, rewards, and work design.

## 1 Introduction

In today's rapidly changing global economy and increasingly fierce competition between enterprises, if enterprises want to survive and develop, they must efficiently improve their management level and operational efficiency. It is undeniable that employee performance is inseparable from the system, culture, structure and other aspects of the enterprise, and is an indispensable part of enhancing the competitiveness of the enterprise. Enterprise managers should explore various strategies, strive to improve employees' enthusiasm, optimize the human resource management system, and help enterprise management enter a virtuous circle, so as to achieve stable and sustainable growth of enterprise competitiveness. According to Aguenza and Som (2018), employee performance is defined as their productivity and efficiency in the workplace, generating valuable outputs for the organization[1]. The Analysis on employee performance is generally based on how efficiently employees perform their duties and job duties. The

### 1.1 Internal factors

#### 1.1.1 Individual competence

Individual competence refers to the benefits that an individual can create for an activity or task in that activity or task. In this study, personal ability mainly includes the working ability of employees, which refers to the value or benefits created by employees for their enterprises or teams in the process of work, and individual employees will obtain certain remuneration or other benefits, as an equivalent exchange, may show and improve their personal work ability at work, so employees' work ability may have an impact on their work[2]. Arik Prasetya (2018)

performance of employees affects the success of the organization[1]. This paper will analyze the factors affecting employee performance through collecting relevant materials, reading relevant literature at home and abroad, then propose countermeasures. This paper aims to provide an insight into this issue.

## 2 Factors that affect employee performance

The research results on factors affecting personal performance at home and abroad are collected and summarized, and the factors affecting employees' personal performance can be divided into internal and external factors, including employees' personal ability and emotional commitment, external factors including basic compensation and welfare, organizational management and organizational commitment. The internal and external environment will have an impact on the behavior and results of individuals, organizations, and thus performance.

argues that individual abilities have a clear impact on employee performance by studying the factors that actually affect employee performance[3]. Chen Yong (2022) proposed that based on the pursuit of economic interests, employees will improve their personal work ability according to the requirements of target work in the process of work. Because if the work ability is strong, then the employee is more likely to achieve high performance, and when the employee's knowledge and skills are more compatible with their work tasks, their work difficulty will be relatively reduced, and they will also think that their work ability is suitable for the job[4].

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## 2.1 Emotional commitment

Emotional commitment refers to the emotional dependence of members of an organization on the organization, which can also be expressed as the degree to which members of the organization identify with the organization and are involved in the organization. When employees have a high degree of emotional commitment to the organization, which means that employees are relatively dependent on the organization and have a relatively more positive attitude, then employees who are deeply involved in the organization's activities are much less likely to leave. At the same time, this dependence and positive attitude can also affect the effectiveness of employees and their contribution to the organization[5]. Arik Prasetya (2018) suggests that among employees within an organization, the drive to achieve goals makes them eager to perform their jobs. In addition, employees will form a commitment to achieving the established performance for success[3].

## 2.2 External factors

### 2.2.1 Basic compensation and benefits

As a key system in the process of enterprise management, basic compensation and benefits not only involve the economic profits of the enterprise, but more importantly, it will affect the work efficiency and working attitude of employees. As an exchange for employees' hard work, basic compensation and benefits are the main motivation for most employees, and have a great motivating effect on employees' enthusiasm. Therefore, employees, as economic people, may improve their work performance and work quality in order to obtain more compensation. Wang Yuxin (2019) summarizes the importance of the compensation and reward mechanism for individual differences in employees, summarizes the problems faced by employees of state-owned enterprises in the new era, and puts forward some long-term mechanisms for differentiated salary incentives, including identifying problems and effectively adjusting the ranking series, rationalizing the salary structure and proposing other measures. Therefore, as to achieve the current performance of enterprises and individuals[6].

### 2.2.2 Organization management

Organizational management is an important part of environmental factors. In organizational management, salary design, work appraisal, working hours, work attitude, etc. are factors that affect employee performance[7]. With the continuous upgrading of the new economic structure, in the performance management where science and technology gradually replace cumbersome human labor, the traditional model of salary design based on results, such as fixed salary, has not adapted to the development of the times, and the role of competitive incentive means for many human resource inputs adopted to ensure the engineering node is gradually declining in the backward technology and technology.

### 2.2.3 Organizational commitment

From the perspective of employee performance, organizational commitment has two values. As far as employees are concerned, organizational commitment is an incentive mechanism for the organization to affirm the individual work achievements of employees from the spiritual level (evaluation and recognition of advanced figures) or material level (bonuses or material rewards) based on organizational values, so that individual employees can obtain a sense of achievement satisfaction equivalent to the organizational values; As far as the organization is concerned, by implementing an incentive mechanism for employees, it can better mobilize employees' emotional dependence and loyalty to the organization, and thus reward the organization with harder work[8]. From an empirical point of view, combined with the 2015 CGSS data, Tang Min and Cheng Yue (2021) believe that organizations should provide employees with good salary, promotion and interpersonal relationship protection, and also improve employees' job satisfaction from various aspects, such as innovating work incentive mechanisms, carrying out flexible and diversified working mechanisms, and providing employees with challenging and autonomous work[9]. Nowadays, the broader career structure brought about by the broader economic cooperation model has brought more options for employee mobility.

### 2.2.4 Work design

In employee performance, sensitivity to work effort, complexity of work itself, form of work and corresponding attractiveness are the main factors affecting the quality of work. In traditional employee performance management. Good work design can ensure that employees find meaning and value from the work itself, can enable employees to experience the importance of work and their own responsibility, timely understand the results of work, so as to produce a high degree of internal motivation and form high-quality work performance.

## 3 Discussion and suggestions

In the study of employee performance, individual competence is an internal factor that affects performance. At any time, the demand for individual achievement always exists, and the individual achievement of employees is not only reflected in the working attitude, but also in the mastery and application of modern technology to a large extent. Incentives that favor employee self-actualization can help drive improved employee performance. In the era of knowledge economy, enterprises face more fierce external competition, and the core competitiveness of employees is more important. Salary satisfaction will also have an impact on employee performance, the main reason for the impact is that the enhancement of employees' salary satisfaction will make them dependent on work and enterprise and identity, voluntarily put more time and energy into work, and improve their own work efficiency and work enthusiasm to ensure performance appraisal results.

### 3.1 Advocating for personalized performance

In the new economic format, in the dynamic economic environment composed of capital flow, technology transfer, industry technology replacement, etc., the continuous adjustment of organizational structure, business strategy and development plan also provides employees with more dimensional career value selection opportunities under the changes of a variety of occupational environments, such as a more suitable working environment and higher labor value returns. In the face of the normalization of employee career mobility, human resource management needs to change the traditional mandatory management thinking concept in order to solve the problems of talent drain and inability to recover vocational training capital, incorporate respect for employee individualization into performance management, strengthen the matching degree between employees' self-career needs and organizational value goals through career consultation and vocational training, and build a dynamic balance mechanism that coordinates personal career management and organizational career management[10].

### 3.2 Building a flexible work design system

On the one hand, the human resource management department should refine the work objectives according to the changes in the external environment and the organization's own development strategy, and clarify the requirements of the organizational goals for the working ability of employees. On the other hand, according to the degree of working ability of employees within the organization, guide employees to develop to key positions and core positions to adapt to the changing trend of increasingly flat organizational structure and virtualization. For example, let innovative employees be responsible for the development of new products and projects; employees with technical advantages can play a role in transferring, helping and leading their skills by helping them set up studios; and adjusting employees with coordination advantages to marketing, service departments, etc. While giving full play to the individual initiative of employees, it is necessary to check and evaluate the quality of employees' work through the corresponding performance appraisal system to ensure that the strategic goals of the organization are always in a stable and orderly process, so as to achieve a win-win situation for the organization and individual employees.

### 3.3 Optimizing organizational management

In the face of traditional performance management, from clear job division, task division, responsibility scope and corresponding power division to career advantages, the work that occurs in the process of blurring job boundaries is difficult to quantify, the work location is difficult to monitor, and the work effect is difficult to achieve. When evaluating and other issues, it is necessary to optimize the performance process and implement differentiated management, which not only provides space for knowledge-based employees to display their talents, but also reflects the authority of performance management.

Objectively speaking, any organization needs both high-end skilled personnel and ordinary employees who are willing to work. Among them, the performance of employees who are responsible for innovation and creation is mainly reflected through the two core of personal professional skills and organizational needs. In the specific operation, the observation of performance focuses on the evaluation of the completion time of the specific project and the economic benefits brought by the realization of the project, rather than the daily job responsibilities, labor discipline, etc. The performance of employees with general work tasks is reflected through regular work, so it is necessary to designate the job position, clarify the process discipline, and ensure the completion time according to the work content.

### 3.4 Making good use of incentives

The organization should provide employees with good salary, promotion and interpersonal relationship protection, and also improve employees' job satisfaction from various aspects, such as innovating work incentive mechanisms, carrying out flexible and diversified work mechanisms, and providing employees with challenging and autonomous work. As work and life are two closely related parts, in addition to the employees' own personal experience, enterprises also need to carry out humanistic care and life team building activities, consolidate employees' sense of loyalty and identity to the organization, and cultivate an atmosphere of unity and cooperation within the organization.

## 4 Conclusion

For enterprises, there are many factors affecting employee performance, and this study proposes that in order to stimulate employees' enthusiasm, enterprises need to continuously optimize countermeasures to improve employee performance, play an important role in employee performance incentive strategies, and enhance internal communication. In addition, enterprises should fully implement incentive strategies to improve employee pay fairness. Managers clarify job responsibilities, pay attention to employees' self-realization and spiritual rewards, and look for common ground between corporate culture and employees' own value. The suggestions for countermeasures in this paper are mainly based on previous research and theoretical proposals. Hence, it is difficult to avoid deviations from theoretical practice. More suggestions based on practical experience are needed, which could be included in the future studies.

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