

AN ECONOMIC EFFICIENCY PROCESS TO ENHANCE THE ORGANIZATIONAL GROWTH BASED ON EMPLOYEE PERFORMANCE MANAGEMENT

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Abstract

The performance of office staff should be evaluated to maximize the performance of companies. The article provides a set of approaches to the definition of indicators of economic and social performance. It provides tools for identifying employee activities and the characteristics of these tools and discussing their application in the study of the performance of the company's employee management process. Currently, there is a growing need to consider existing methodological approaches and methods for evaluating the performance of employee management in general, based on the introduction of development staff and evaluation, in particular, quantitative indicators. In this paper, the performance as a characteristic of the course of a particular process and expresses its "economic, social, environmental and other extent to which it achieves a function or goal". As can be seen from this definition, the "performance" type can be created from the "target" content of a particular process.

Keywords:

Effect, Performance, Process, Organization, Personnel Management, Evaluation Tools

1. INTRODUCTION

The performance of the employee management process should be evaluated to improve the performance of the organizations [1]. Approaches are considered to determine the indicators of economic and social performance of the employees of the company [2]. The tools are provided to determine the performance of employees [3]. The characteristics of these tools are given and their application is considered in the framework of the study of the effectiveness of the personnel management process of the company [4]. In many cases, under the guidance of a direct supervisor or mentor, it is difficult to achieve the desired learning results without such additional "polishing", he or she can provide assistance and support, counseling, and counseling in the process. Without it, all the effort spent on training will be in vain [5]-[6].

Evaluating the performance of training management staff is an important step in the learning process [7]. The key to such an assessment is to determine how much the company benefits from management training or to determine how effective one type of training may be over another [8]. If money is spent on education, you need to know what the organization can get in return. The main purpose of evaluating the effectiveness of the training is to analyze the information obtained and use it in preparing and implementing similar training programs in the future [9-10]. Evaluating the effectiveness of the professional development process of the company's management staff allows you to continue to work on improving its efficiency, free from such training programs and training patterns that do not meet the expectations placed on them [11]. The average employer in an industrialized country allocates approximately 4% of their

training and development budget to evaluate training programs [12]. Company managers do not focus on the effectiveness of training programs in which their employees participate. An important assessment method is the party interested in evaluating the learning outcomes - the top managers of the organization who sent the students for advanced training [13]. Requirements should begin with evaluation and evaluation objectives prior to the start of training. The quality of the advanced training evaluation performed by the client company management depends on the quality of the tasks set [14]-[15]. If the tasks are set generally and very indefinitely, then the assessment will be general and indefinite, and it will appear that advanced training is not necessary. Assessment (intermediate assessment) in the process of professional development enables the teacher to make necessary changes in the curriculum. Assessing learning and planning by learners (when they are planning their own further learning) can also be very important.

There are a variety of ways to assess changes in trainers' work style or management skills that can be applied to both self-assessment and peer assessment or management assessment [16]. By examining the use of time and other resources, it is possible to assess a manager's productivity (idle time, number of employees involved, etc.) before and after advanced training [17]. These data can be processed and provided in the form of calculations to increase productivity and reduce costs. In the work, in addition to the above criteria for the effectiveness of advanced training, two more are determined: the integration of educational materials and cost effectiveness.

Most companies make little or no effort to determine the extent to which the material has been learned. You can assess the completeness of mastering the subject with the help of exams, tests or trials. The most effective way to evaluate the completeness of the integration of educational materials is to prepare students' project assignments [18]. At the same time, the solutions students provide to the system's stressful problems make it possible to assess not only the degree of integration of the educational material, but also the depth of its understanding and ability to apply it in practice

2. LITERATURE REVIEW

The way to empower employees to use the knowledge and skills they have acquired after completing a training program is to make the job more meaningful. This can be done by increasing the level of responsibility of managers and giving them more powers, but also by encouraging them to submit projects aimed at improving (improving) the work and involving them in the implementation of these plans [1]. To retain and retain a trained employee in the organization, it is essential to obtain complete information on how the task of applying advanced training results in other organizations is solved and what their pay scale is.

Related specialties and positions, benefits provided to trainees and working conditions [2].

Development-oriented companies tend to think ahead and prepare management staff for more complex and demanding responsibilities than they currently do. Managers interested in growth who has demonstrated their commitment to the company and its goals should be offered the opportunity to prepare for a more complex, responsible and interesting job [3]. It is necessary to create ways to motivate managers so that as a result of advanced training they gain a high level of expertise, hard and long work for the benefit of the company, ways and methods of retaining them [4]. At the same time, it should be remembered that the development of organizational policy in the field of management personnel and the solution to these problems must be initiated simultaneously. Therefore, in order to determine the performance of the overall management system and the personnel management system, it is necessary to have a clear understanding of the key decisions and the consequences of all the specific types of activities [5].

3. PROPOSED MODEL

In general, the content is expressed by the formula for economic efficiency process (EFF) work: EF is the value of the economic effect obtained; RC is the number of resources or costs. The essence of performance as an economic type, in our opinion, is most precisely defined by the author as, "the expression of the relations of production between the participants in production to form its end with the minimum cost of living and past labor." Since the employee management process has not only an economic but also a social aspect, we will consider "performance" as a social category. As the author of the work points out, "The social performance of production characterizes the degree of satisfaction with the established (identified) needs of society through the production and sale of various goods and services." We can say that the sub-organization (organization) of personnel management manages the organizational processes by considering the social components within it as one of the key components, by meeting the social components of the organization's management system (OMS).

The concept of "employee management" can be expressed as improving the efficiency of the company's employees, especially management. The analysis of tasks dedicated to employee management processes and organizations in organizations has revealed a variety of approaches to determining and evaluating the performance of the employee management process. The performance of employee management is expressed in terms of criteria for success of the overall organization (industry, region, and cluster). It was proposed to define the performance category to a new level due to the understanding that "the employee management system of a company that competes on the basis of products (services) is the company itself and is recognized as useful to work with". However, the approach to evaluating the employee management process by the performance of the overall organization's management system makes it very clear.

Economic efficiency: However, this concept does not draw a line between the performance (organization) performance of personnel management and the performance of other processes (systems) within the framework of the SLA. Obviously, this

approach does not allow measuring the level of social performance of the employee management process. The conceptual statistical methods of denotes the determining the effectiveness of the employee management process. In the concept of employee management is considered "in terms of the amount, completeness, quality, and timeliness of the activities assigned to employees." As a criterion for determining performance, it was proposed to use "implementation of production or maintenance standards established with the proper quality of workmanship and cost reduction arising from increased employee income, unreasonable idle time, etc." In the same work "Socio-economic performance is considered to have two components:" Economic performance classifies the achievement of an organization's goals by the use of employees based on the principle of economic use of available resources and social performance, which characterizes the level of satisfaction.

The meeting production and maintenance standards: These criteria can and do be used to evaluate the labor efficiency of workers directly involved in production. However, establishing "performance standards" for administrative staff is still very difficult for a number of reasons. Achieving the goals of the organization: (production of goods and services) by employing employees based on the principle of economic expenditure of funds financed in the field of economic skill management. Community performance is implemented in a form that meets the expectations, needs and interests of employees. As a criterion for evaluating the effectiveness of the employee management process, teachers propose achievement levels of set goals. "Achieving economic and social performance in the field of labor management is possible by achieving the clearly defined goals of personnel management". Therefore, when determining the effectiveness of the company's employee management process, its following components should be taken into account:

The performance of the entire process of employee management, including the economic and social performance of management; The integrated socio-economic performance of the employee management process is, ultimately, a general indicator of the performance of the organization as a whole.

The Common indicators of TO include labor productivity growth and the company's annual economic impact (reduced cost savings). At the same time, labor productivity growth is determined in two ways:

- By increasing labor productivity as a result of savings in the number of employees (in %);
- Increase labor productivity by reducing labor intensity.

The annual economic effect is calculated by the product of the annual production volume by the amount of change in the cost of production, minus the cost of implementing the activities shown in Fig.1.

- Reducing the labor intensity of the products, fixed hours;
- Staff, relative savings of population (publication);
- Saving work time in relation to minimizing losses and non-productive time costs and man-hours;
- Increase in production volume
- Saving from reducing production costs, rubbing.
- Storage, abrasion due to reduction of occupational morbidity and industrial injuries;

- Saving from cost reduction at semi-fixed costs, rubbing.
- Savings from minimizing specific capital investments as a result of better use of equipment, %.

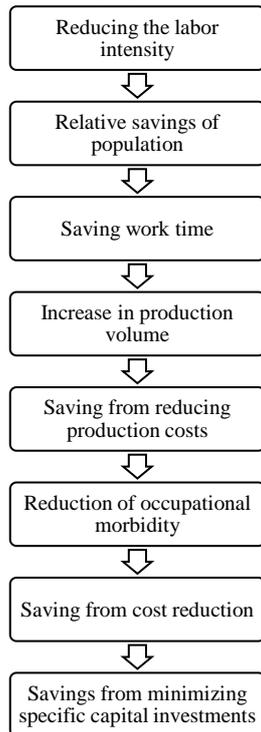


Fig.1. Implementing Activities

The set of given indicators allows the outcome (result) from the course of the overall employee management process to be expressed numerically (in type or monetary form). Summarizing the above, the type of “performance” in relation to the personnel management process in the SLA is mentioned as follows. The social and economic performance that can express the effectiveness of the employee management process is the performance of the employee management and employee management system.

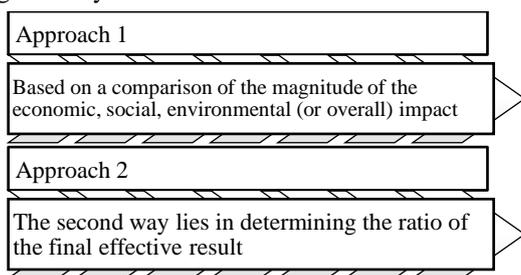


Fig.2. Performance ideas

Socio-economic performance should reflect the level of achievement of the stated social and economic stated goals of the employee management process in the organization. One of the approaches to evaluating the performance of an SLA is considered at work. It identifies two different ideas for evaluating the performance shown in Fig.2.

- The first approach is based on a comparison of the magnitude of the economic, social, environmental (or overall) impact and the magnitude of the costs incurred by

this effect (evaluating the performance of the SLA as a whole).

- The second way lies in determining the ratio of the final effective result generated in the operation of a particular organization to the goal-set decision (estimating the extent to which the organization achieves the goal of operation).

To use the first systematic method, it is necessary to determine the content, the essence, the composition and the structure of the result obtained and the total cost. The nature and content of the cost structure and resources used in employee management should take into account all costs and resources spent by the company on employees. According to the authors of the works, in general, the structure of staff costs can be stated as follows Fig.3:

- Basic Expenses for Employees - Wage Expenses;
- Additional costs to employees - payments to various social insurance funds, such as vacation pay and sick leave;
- Volunteer Extra Costs for Employees - Expenses for the company’s social services and staff training and advanced training.

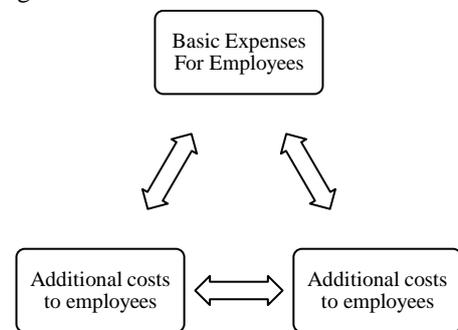


Fig.3: The structure of staff costs

Labor costs (gross wages and bonuses) reflect the costs of obtaining economic benefits from employee management; the social costs of the organization, reflecting the receipt for a social effect; Personnel development costs. These types of expenses should be mentioned separately, as investments in employee development are considered to meet the productive needs of workers and, on the other hand, to meet the needs of education and labor.

4. RESULTS AND DISCUSSIONS

The proposed economic efficiency (ECEM) model was compared with the existing internal audit effectiveness model (IAEM), Organizational complexity model (OCM), Open business model (OBM) and empirical economics model (EMEM)

4.1 SELF-IMPROVEMENT

Employee service costs reflect the costs of organizing staff management; Cost of working with staff on special, short-term plans. Depending on the content of the project, this type of cost may have an economic, social or organizational effect.

Table.1. Comparison of self-improvement

Employees	IAEM	OCM	OBM	EMEM	ECEM
1000	48.95	54.32	74.26	71.57	85.93

2000	49.28	55.82	74.85	73.44	86.97
3000	49.61	57.32	75.44	75.31	88.01
4000	49.94	58.82	76.03	77.18	89.05
5000	50.27	60.32	76.62	79.05	90.09
6000	50.60	61.82	77.21	80.92	91.13
7000	50.93	63.32	77.80	82.79	92.17

In addition to determining the structure of employee costs, it is necessary to determine the composition, content, and structure of the economic impact of the employee management process.

The economic effect, as a rule, reflects the cost (price) essence of meeting the company’s need for employees. Such an expression is an economic assessment of the labor of the employees involved in the implementation of all processes or parts of it in the organization. Consequently, the economic impact of the employee management process can be expressed through the productivity (productivity) indicator of labor.

4.2 PRODUCTIVITY IMPROVEMENT

Productivity is also determined by the total cost of labor, materials, equipment, energy costs and resources. Labor productivity can be determined by the formula:

$$P_l = W/R \tag{1}$$

where P_l – Productivity Improvement; W - quantity of goods (services) produced in natural units for a period of time; R - Labor costs are expressed as the total cost of working time for the period analyzed.

Table.2. Comparison of productivity improvement

Employees	IAEM	OCM	OBM	EMEM	ECEM
1000	40.32	50.68	66.86	74.14	90.67
2000	41.81	52.65	69.28	76.34	92.66
3000	42.61	53.78	69.69	77.14	93.86
4000	44.94	54.99	71.29	77.81	94.34
5000	45.95	55.36	73.61	79.24	95.77
6000	46.59	56.89	74.86	80.33	96.93
7000	47.25	57.39	77.59	80.81	97.70

The social outcome should express the level of satisfaction of the needs of the employees in the process of operation, from the employee management process within the framework of the SLA. In a general form employee need can be reduced to three types of needs: availability, relationships, growth. Therefore, in determining the social impact of employee management, the degree of satisfaction with the needs of these types of employees must be taken into account.

4.3 EXISTENCE REQUIREMENTS

The satisfaction of employees needs in living equipment in a common way. Satisfaction of this need is achieved by providing cash and social packages in cash and in kind. Satisfaction can be achieved by assisting the employee in personal and professional development, as well as by providing the employee with the opportunity for creative self-expression. Evaluating the performance of a company’s employee management process on a

quantitative basis, taking into account the full complex influence of factors that make up the level of performance

Table.3. Comparison of existence of requirements

Employees	IAEM	OCM	OBM	EMEM	ECEM
1000	39.93	53.64	72.72	85.99	95.51
2000	38.30	51.90	71.14	84.57	94.22
3000	37.82	49.56	68.94	83.31	93.21
4000	36.53	48.75	67.31	81.32	92.32
5000	34.42	46.46	66.17	78.85	91.95
6000	32.93	44.53	63.97	77.41	90.31
7000	31.12	42.80	62.82	75.69	89.94

4.4 RELATIONSHIP NEEDS

The Relationships with the external environment include the satisfaction of employees’ needs. As a rule, a set of indicators of the level of their achievement is used to determine the level of satisfaction of the needs of employees. The degree of readiness of the employee management process to achieve labor productivity, i.e., Skills - Ready to perform professional tasks in line with work responsibilities.

Table.4. Comparison of relationship needs

Employees	IAEM	OCM	OBM	EMEM	ECEM
1000	41.52	47.57	73.97	85.35	96.68
2000	39.85	46.44	71.04	84.09	94.21
3000	37.90	46.09	69.50	82.20	93.41
4000	35.91	44.14	67.47	81.00	92.21
5000	33.33	43.37	66.57	89.44	91.57
6000	31.34	42.99	64.60	77.69	90.31
7000	29.32	41.86	63.13	76.76	89.31

At the same time, the expression of operational performance may be an integral result of the functioning of the employee management process of the organization, which can be taken as the socio-economic performance of employee activities. “Refinement” is any event that adjusts the knowledge and skills of managers who have completed renewal courses, for example, depending on the specific circumstances of the management activities

4.5 COST PERFORMANCE

Top management should be held accountable. Ideally, senior management should conduct an annual evaluation of training performance based on training strategy and attempt to evaluate the impact of training on organizational performance such as sales, quality, productivity and morale, either quantitatively or qualitatively.

Table.5. Comparison of cost performance

Employees	IAEM	OCM	OBM	EMEM	ECEM
1000	41.60	52.57	68.17	80.79	94.35
2000	45.20	59.90	71.13	83.02	95.22

3000	48.80	67.23	74.09	85.25	96.18
4000	52.40	74.56	77.05	87.48	97.11
5000	56.00	81.89	80.01	89.71	97.84
6000	59.60	89.22	82.97	91.94	98.10
7000	63.20	96.55	85.93	94.17	99.17

At Honeywell, for example, the effect of a capacity building program on increasing productivity and product quality is determined.

5. CONCLUSION

Evaluating the performance of an organization's employee management process based on a set of indicators that cover multiple hierarchical levels and reflect the achievement level of desired results; The company's need for employees of the required size and quality (capacity); Changes in the position of employees, the position of employees in the organization for a given period of time, are expressed by the organization of dimensional indicators; The existence of an effective decision reflects the real socio-economic impact obtained by adjusting the key decision based on the development of the company's employee management process. The proposed ECEM model was compared with the existing IAEM, OCM, OBM and EMEM. The proposed effect can be expressed in the amount and quality of knowledge and skills acquired by employees as a result of the learning process initiated by the management of the organization. However, gaining new professional skills, such as immediate and long-term results of any training, can sometimes be difficult to achieve. Ideas derived from the training class should be integrated and put to the test in practice, taking into account the actual conditions of operation of the executive staff. There are many obstacles and limitations along the way.

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