

# RESEARCH ON THE PERFORMANCE APPRAISAL SYSTEM OF MIDDLE MANAGERS IN CONSTRUCTION COMPANIES\*

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## Abstract

First, the company will analyze the assessment status and determine the appropriate performance assessment method. Next, job descriptions for middle-level management positions such as general manager, deputy general manager and heads of departments will be established based on strategic development objectives, business objectives, specific business processes, and working characteristics of the enterprise. After analyzing each job position, specific assessment contents and key performance indicators will be established for each post. The weight factor method will then be used to assign the weight of each index, and finally, the specific performance appraisal table of each post will be formed. Specific performance appraisal standards will also be set for attitude and ability items. In order to ensure the accuracy of the performance appraisal results, the appropriate performance appraisal subject of Suzhou Construction Engineering Group Co., Ltd. will be selected. Lastly, a performance appraisal result evaluation model will be designed to evaluate the effectiveness of the final performance appraisal results and determine the performance appraisal cycle.

**Keywords:** Performance appraisal, Middle managers, case analysis

## Introduction

Since the reform and opening in 1978, with the accelerating process of the socialist market system reform, the market of China's construction industry has basically taken shape, and after more than 40 years of continuous development, it has become increasingly mature. At present, unprecedented opportunities are accompanied by fierce market competition, with the increasing number of construction enterprises and the continuous improvement of industry standards. In order to gain a foothold in the market, enterprises are required to constantly strengthen themselves, which not only needs the continuous improvement of industry hard power, but also is of vital importance to the internal management of enterprises. The characteristics of the construction industry determine that the internal structure of enterprises is relatively complex, and the construction sites of various projects are scattered, which further requires enterprises to have strong internal management capabilities to ensure daily efficient operation.

As a medium-sized construction enterprise, Suzhou Construction Engineering Group Co., Ltd. has realized the importance of performance appraisal for middle managers, but there are still many problems in practical application. Although the enterprise has its own performance appraisal system, it is largely a mere formality, which makes it difficult to play a real role. There are still some problems such as brain drain and low staff enthusiasm, and employees are only assessed for the sake of assessment. The reason is that the internal mechanism of performance appraisal is not fully understood, and only the superficial "copy

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and copy" is carried out, and a scientific and reasonable performance appraisal system is not designed according to the enterprise's own characteristics. Therefore, it is extremely urgent to deeply analyze the existing performance appraisal system of Suzhou Construction Engineering Group Co., Ltd., find out the problems and optimize the performance appraisal process.

## Research Objective

The study commonly investigates the performance appraisal system of middle managers in construction companies.

## Literature Review

Employee performance is the foundation of the whole performance appraisal, and the appraisal results of groups, organizations and enterprises are often based on the merits of employee performance appraisal. Therefore, the quality of employee performance measurement will affect the performance appraisal results of groups, organizations and even enterprises layer by layer, and the appraisal results will also be enlarged layer by layer, which will ultimately affect the enterprise strategy, management and development performance. Therefore, identifying the factors that affect employees' performance is of great benefit to the practice of enterprise performance appraisal.

Veen-Dirks & Wijn (2002) divided the factors affecting employees' performance into two aspects: individual and system. System generally refers to uncontrollable factors such as production equipment and market environment. Individual factors are more similar to Campbell's behavioral factors that affect employees' performance, but the main factor has the disadvantage of not paying enough attention to environmental factors. Veen-Dirks & Wijn (2002) advocated that the output results of staff should be distinguished from work-related behaviors, and that performance is two different categories including both output and behavior. Among them, the work results are considered to be jointly determined by the system and personal behavior factors, which also indicates that individual factors have no direct influence on the work results in essence, and they influence the work results through personal behaviors related to work (Mendes et al., 2012).

Individual factors: Campbell divides individual factors into preconditions and direct determinants, among which preconditions involve employees' innate nurturing factors, such as personality, ability and so on, which are considered as the potential antecedents of other direct determinants (Shippmann et al., 2000); The direct determinant involves the self-quality bonus acquired by employees, such as the knowledge learned, skills learned and motivation. The combination of the two often constitutes the comprehensive quality of individuals, which is often brought into work practice, and then affects their performance.

System factors: The system relates to the environment to a great extent, and the factors that affect employees' performance often come from the environmental factors including the material environment, the characteristics of goals and the characteristics of people. System factors are divided into restraining factors and promoting factors. Restraining factors often act as "stumbling blocks" to hinder the exertion of employees' abilities (Becker et al., 2001), the use of knowledge and reduce employees' enthusiasm and effort for their work, thus negatively affecting employees' performance, such as equipment, time and working environment. Promoting factors, on the other hand, can promote employees' performance (Hartmann, 1998), but they indirectly affect performance by influencing some negative aspects of individuals, such as training employees, goal setting and job redesign (Libby et al., 2004). At present, there is still controversy about the influence mechanism of promotion and inhibition on employees'

performance. Enterprises often need to identify relevant factors when carrying out specific performance appraisal work, and if necessary, analyze their influence mechanism on employees' performance to better achieve the purpose of appraisal.

When both individual factors and systematic factors may affect employees' performance, enterprises are required to explore the reasons. People at different levels tend to make different attribution, and the employees at the bottom are more difficult to control systematic factors, which puts forward higher requirements for the reasonable setting of enterprise assessment subjects.

In addition, where should the attention of enterprises go? Individual or system? Practice has proved that most enterprises think that the performance depends on internal factors to a greater extent, so they prefer to pay attention to individuals, but employees of enterprises, on the contrary, are more concerned about the influence of systematic factors related to the external environment on their performance out of a "being alone" mentality. However, in the case of different performance results in the same environment, more attention should be paid to the influence of personal factors. What factors have an impact on employees' performance is controversial. Enterprises should seek the source of interference through performance diagnosis, so as to make reasonable decisions (Maltz et al., 2003).

## Research Methodology

This paper focuses on the qualitative research method when analyzing the status quo of performance appraisal of the middle-level management personnel of Suzhou construction engineering group co. Ltd. based on the company's existing performance appraisal system, analyzes and finds out the existing problems and reasons, and designs and optimizes the performance appraisal system of Suzhou construction engineering group co., ltd.

Analyze the work of the person in charge of each functional department of the company, clarify the responsibilities and requirements of each post, determine the assessment content, design the performance assessment index of each post by KPI method, determine the weight of each index by weight factor method, further select the assessment subject, and finally establish the mathematical model of assessment results. The fuzzy comprehensive evaluation method is used to establish a mathematical model for judging the evaluation results. Finally, in order to ensure the smooth operation of the assessment system, a series of safeguard measures are put forward, and some application suggestions are put forward according to the results of performance assessment.

## Findings and analysis

Analysis on the present situation of performance appraisal of middle managers in Suzhou Construction Engineering Group Co., Ltd.. BTBJ Construction Company is a typical comprehensive construction enterprise, which was incorporated in 2012 with a registered capital of RMB20 million. At present, BTBJ Company has a total of 872 employees, mainly distributed in management, technology, construction and logistics positions, among which 87 are in management positions, accounting for 10% of the total employees; 173 people in technical positions, accounting for 20% of the total number of employees; There are 402 people in construction positions, accounting for 46% of the total staff, and 210 people in logistics positions, accounting for 24% of the total staff.

Suzhou Construction Engineering Group Co., Ltd. Is a typical functional organizational structure, with seven functional departments, namely, human resources department, finance department, general office, operation department, quality and safety department, materials department and engineering department. The main responsibilities of each functional

department are as follows: the finance department is responsible for the daily financial management, accounting, fund management, taxation, financing, budget and statement preparation of the company, and is also responsible for reviewing and issuing the salaries, bonuses and benefits of the employees of the company.

### **Existing problems and cause analysis**

At the beginning of each year, the Company will sign the Target Responsibility Statement with the middle management. The "Responsibility for Objectives" is mainly used to assess the achievement and work management of middle-level management personnel, including the achievement of management objectives such as regular work, important work of the year and the construction of a clean and honest government. The performance appraisal Committee is composed of general manager, deputy general manager and board members of Suzhou Construction Engineering Group Co., Ltd. The examinees fill in the general appraisal form and submit the report to the superior for internal evaluation. After the evaluation, the human resources department will summarize the results and submit the final evaluation opinions to the performance appraisal Committee. The Committee will conduct a final review of the assessment results, which will be announced at the year-end conclusion meeting after the review is passed, and rewards and punishments measures will be implemented. Based on the above analysis, the current performance appraisal system of Suzhou Construction Engineering Group Co., Ltd. has played a certain role, but it has little effect. Middle managers are not satisfied, and there are quite a few problems in the assessment process.

1. The setting of assessment indicators and weights is unreasonable.

The index setting of Suzhou Construction Engineering Group Co., Ltd.'s current performance appraisal system is unreasonable, and the index setting is more random, which is decided by the top leaders after deliberation. Its objectivity and accuracy are insufficient, and it is not closely related to the specific work content of employees. The indicators on personal quality and work ability are too general, and the assessment results of middle managers are similar, so there is no reference value. There is no distinction between indicators of different positions, and it is impossible to accurately assess the job performance of managers of different positions only by using the general appraisal form.

2. The performance appraisal is out of line with the company's strategic planning.

As a tool for the company to achieve its overall strategic objectives, the performance appraisal system should be designed from the strategic objectives. The current performance appraisal system of Company X is only designed according to the employee's job responsibilities and post requirements, which cannot reflect the strategic objectives of the company. It only serves as the basis for performance pay and evaluation, and loses its role in conveying the company's strategic objectives and serving the realization of the overall strategic objectives of the company. The reason why the performance appraisal system of Suzhou Construction Engineering Group Co., Ltd. can't play a strategic role is that it hasn't been decomposed step by step from the strategic objectives of the enterprise, and finally a scientific and reasonable appraisal index has been formed.

3. The performance appraisal has not played a sufficient role in motivating and promoting employees.

At present, the results of performance appraisal of Suzhou Construction Engineering Group Co., Ltd. are only used as the basis of performance pay and evaluation, which cannot play the role of performance appraisal in improving employees' personal working ability and enthusiasm. The reason is that the utilization range of the assessment results is too small.

Establishment of performance appraisal system for middle managers of Suzhou Construction Engineering Group Co., Ltd.

(1) Selection of performance evaluation methods.

The process of determining key performance indicators is the process of vertical decomposition and horizontal business combination of enterprise strategic objectives, and multiple numbers are an effective component or supporting tool of enterprise strategic objectives. Similar to the influencing factors of employees' performance, the results of enterprise performance appraisal are also the result of the comprehensive influence of internal and external factors, and external factors are often uncontrollable. The key performance appraisal indicators exclude others and the influence of external uncontrollable factors, focusing on reflecting the directly controllable indicators of employees. Key performance indicators do not measure all practical tasks of employees, but only assess the key indicators that best represent the performance center. Key performance indicators are by no means the words of superior leaders, but are determined after comprehensive agreement between employees and relevant managers. Based on the above analysis, the KPI method is used to design the performance appraisal system for middle managers of Suzhou Construction Engineering Group Co., Ltd..

(2) The content design of performance appraisal for middle managers.

According to the general practice, the results of performance appraisal depend on the task performance and peripheral performance of the examinee, and the appraisal of job performance tends to examine the direct output of explicit work results such as quality, quantity and timeliness, and its index formulation focuses on specific work items. Peripheral performance tends to check the abstract factors that affect the performance results, focusing on attitude and ability, and the determination of its indicators focuses on the assessment of behaviors related to the performance results. Based on the comprehensive analysis of these two aspects, the content of the performance appraisal of the middle managers of Suzhou Construction Engineering Group Co., Ltd. is finally determined in three specific aspects: performance, attitude and ability.

The working attitude of middle managers represents their willingness to work, that is, whether they have initiative, executive ability, commitment to work and sense of responsibility in the face of work. Work ability determines whether middle managers can be competent for their jobs and complete the tasks assigned by the organization, that is, whether they can work; The performance of middle managers determines their subsequent development, but it is largely influenced by attitude and ability.

Performance indicators are designed to measure the explicit and specific work achievements completed by managers within a certain time limit, and are the core part of their overall performance evaluation results, accounting for the largest proportion. To some extent, the performance indicators reflect the contribution of the assessed managers to the overall performance results of the organization within a fixed time limit. The assessment items are mainly determined by analyzing the key business performance indicators that can accurately reflect the performance assessment results.

The weight of performance appraisal index for middle-level management of BTBJ Construction Company will reflect the importance of an index in the appraisal index system. On the one hand, it is an explanation of the bias of BTBJ Construction Company's strategic development. On the other hand, middle-level managers in different positions can make clear their work priorities and specific work directions in the future according to the weights of their performance appraisal indicators. In the process of assigning the weight of specific indicators, firstly, based on the company's strategic development goals, the assessment objectives and job

differences are comprehensively considered, the substantive work content of each job is concerned, and the weight of indicators is given accordingly. Second, the weight is by no means constant in the assessment process, and should be adjusted in a timely manner according to changes in the external environment or changes within the company to ensure the accuracy of the performance assessment results. Finally, the weight should be given with due consideration to the overall operating objectives of the company. To avoid unreasonable weight assignment, the value range should be controlled at 5% to 40%.

## Conclusion and recommendations

The above research is based on the status quo of performance appraisal system of middle managers in Suzhou Construction Engineering Group Co., Ltd. and related theories of performance management. The definition of middle managers in Suzhou Construction Engineering Group Co., Ltd. This paper refers to the heads of its functional departments. The actual implementation effect of the assessment system needs to be proved by the follow-up practice, and the deficiencies and irrationalities should be followed up and modified in real time. In addition, macro factors such as changes in policies and construction market will have a significant impact on the performance appraisal system of middle managers in Suzhou Construction Engineering Group Co., Ltd., and it is necessary to pay attention to and analyze the changes of such factors in the future.

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