

# *Employee Performance and Differentiation Management*

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**Abstract:** In the past, people's management of employee performance was mainly in the company's management structure. At the same time, in this process, in order to achieve the overall efficiency and income of the enterprise, and promote better economic development, people pursue more freedom in life and efficiency in work. The relationship between employee performance and differentiated management is analyzed in this paper. This research also explores Maslow's hierarchy of needs theory and employee differentiated management mode. This paper discovers the relationship between employee performance and differentiated management through research. The study found that the two exhibit an inverted U-shaped correlation, that is, the degree of differentiated management is taken as the independent variable, and employee performance is taken as the dependent variable, and the level of employee performance is affected by the degree of employee differentiated management, which provides new ideas and research directions for further research on employee performance and differentiated management.

**Keywords:** Employee performance, Differentiated management, Differentiated management strategies, Lifestyle

## 1. Introduction

With the development of the economy, more and more enterprises and companies are established, some are family workshops, some are jointly operated by partners, and some are joint-stock companies. However, regardless of the form of organization, they are inseparable from the relationship between employees and employers, which is commonly known as the management relationship. In this process, they often need to evaluate their own employees in order to safeguard the company's interests. Introducing the concept of employee performance, in the context of today's times, it is possible to see the individual needs of employees. People manage employees in different ways, regardless of position, age, and other circumstances to improve business profits. In this paper, Maslow's hierarchy of needs principle is mainly used to analyze and study the principles of scientific management. There are articles on performance differentiation management and employee performance and its influencing factors in the existing literature at home and abroad, but there is no clear discussion on the correlation between the two. Through this research, people can achieve more efficient management of employees. In the management process, in addition to achieving the interests of the enterprise or company, it can also improve employees' life satisfaction and enhance their pride and satisfaction with their work.

## **2. The concept of performance management**

### **2.1. Introduction of performance management**

High performance is the core competitiveness of an organization and the source of sustainable development, and how to continuously view the performance level through performance management is an eternal proposition and problem in the theory and practice of human resource management. Following the two principles of management, starting from the basic concepts of performance and performance management, this paper systematically expounds the performance management cycle composed of four parts: performance planning, performance coaching, performance appraisal and performance feedback, so as to expound the relationship between differentiated management and employee performance.

In modern management theory, the concepts and methods of performance management have been influenced by many scholars and practitioners. For example, Taylor, the father of scientific management, proposed the differential piecework wage system at the end of the 19th century, which aimed to improve productivity by giving workers different wages based on their job performance. At the beginning of the 20th century, Fayol, in his book *Industrial Management and General Management*, made it the responsibility of managers to reward and punish employees and to regularly check the skills of the organization. This forms the initial theory of employee performance management and why employee performance is studied.

There are three levels of performance: organizational performance, group performance and individual performance, individual performance is the foundation, and organizational performance and group performance are the manifestations of individual performance [1]. At the individual level, performance refers to the behavior and results achieved by employees engaged in certain activities under certain conditions such as time and space. The performance of employees is a comprehensive reflection of their own qualities in specific working time and space conditions, which changes with the changes in working time, space, tasks and environment, showing obvious multi-factorial, multi-dimensional and dynamic, which determines that the evaluation and management of employee performance must be carried out from multiple angles, directions, levels and time and space.

### **2.2. The role of performance management**

First, performance management can help companies identify high-performing employees and provide strong talent support for their development. Second, with clear goals and feedback, employees can have a clearer understanding of their work priorities and areas for improvement, thereby enhancing their individual work capabilities and performance levels. In addition, performance management can promote teamwork, create a level playing field, and enhance employees' sense of belonging and loyalty [2]. At the same time, in this way, management can identify which employees are performing nicely and which ones are having problems at work and act accordingly. High-performing employees can create more value for the organization, while low-performing employees can affect team morale and even the profitability of the business. This reflects the critical importance of evaluating and managing employee performance in a company.

## **3. Differentiated management**

### **3.1. Concept introduction**

Differentiated management is a new management model that emphasizes the classification of different people, things, and situations, and adopting different management strategies according to different situations [3]. In today's highly competitive market environment, differentiated management

has become an important means for enterprises to improve their competitiveness and optimize management. For human resource management, differentiated management is based on the individual differences of employees and different abilities, experiences, personalities, work motivation, etc., to adopt different management strategies, the core concept is to improve employee performance by identifying differences in work needs, working methods, incentive mechanisms, etc., in order to better release employee potential, improve job satisfaction, and improve the overall performance of the company.

### **3.2. Analysis of the background of the times**

In today's era, more and more people are pinning their hopes on less overtime work, and enterprises need more high-quality employees to support the company, people are more inclined to realize the separation of work and life under differentiated management under the company's incentive mechanism. This also reflects that differentiated management is increasingly needed.

Therefore, in the context of modern life and people's increasingly strong desire to separate work and life, combining differentiated management with human resource management can provide enterprises with more targeted and effective management strategies to promote sustainable development.

### **3.3. Instance verification**

Through an in-depth discussion on the management of salary differentiation and its impact on employee motivation, the importance of scientifically formulating and implementing compensation differentiation management strategies to improve employees' work enthusiasm, job satisfaction and organizational loyalty is revealed. The results of the study show that by considering the individual needs and contributions of employees, organizations can more effectively stimulate the potential of employees, and thus promote the long-term stability of the organization. Future research can further explore the application effect of salary differentiation management in different industries and cultural backgrounds, and how to combine emerging technological means to optimize the compensation differentiation management strategy [3].

This paper will take a differentiated management practice of a company as an example to illustrate the advantages and effects of differentiated management. A company is a large manufacturing enterprise, and its products include a variety of mechanical parts and equipment. The company starts by classifying and evaluating its employees, adopting different management strategies based on their skills, experience, and personality characteristics. The company adopts different management strategies according to the cultural characteristics of different departments and teams [4]. For example, for departments that emphasize innovation and openness, the company provides more freedom and space, while encouraging employees to come up with new ideas and suggestions; For departments that emphasize norms and discipline, the company has strengthened the implementation of management systems and norms, while encouraging employees to self-manage and self-discipline. After the implementation of differentiated management, the company's management efficiency and effectiveness have been significantly improved, and the work enthusiasm and efficiency of employees have also been improved, thereby improving the organization's market competitiveness and customer satisfaction. So, it will move on to the analysis and assumptions. Based on these concepts, the essay will integrate the concepts and ideas presented above, which is equivalent to putting seemingly unrelated concepts back together. In the process of economic construction, the emergence of issues such as asset allocation and corporate profitability has made employee performance an important concept for evaluating employees. Again, because of this, our increasingly independent and democratic thinking makes it all the more important to manage our employees differently. Therefore,

this research made this hypothesis to analyze the correlation between employee performance and differentiated management to clarify the intrinsic connection between the two and see if and to what extent they affect each other. To prove the hypothesis: there must be a correlation between employee performance and differentiated management. Having identified this idea, the article decided to study it through Maslow's analysis of needs, levels, and principles. Then, Maslow's hierarchy of needs theory is used to explain this idea, such as providing assembly line workers with faster work patterns to meet their survival and safety needs. When their needs are hopefully met, they will have a broader incentive to work according to their needs and actions [4]. That is, the piecework wage system proposed under the principle of scientific management. This is to meet the needs of assembly line workers through Maslow's hierarchy of needs principles. It analyzes it from another angle, such as the content and form of the work of middle and senior managers in the enterprise, which is naturally different from the work content and form of assembly line workers. Therefore, their needs are different and different types of needs such as physiological and social needs need to be met. In order to meet these needs, they have adopted a different management style from assembly line workers, that is, differentiated management. Through this form, different incentive mechanisms are applied to them to improve the performance of employees under different incentive mechanisms and reflect differentiated management strategies. Of course, the differences mentioned here are not reflected in their personal differences, but only in the type and content of their works. Through such a simple analysis, it can be understood that there must be some kind of connection between differentiated management and employee performance, that is, people's desire for a better life and the joint efforts of the company's incentive mechanism have brought about the improvement of employee performance. In order to meet different needs and ensure greater work-life separation, It should develop differentiated management plans that meet the desired needs of employees, promote performance improvement, and ultimately drive the profitability of the company [5]. The company introduced BSC as an important role in employee performance management, which is to determine goals through strategic decoding, and decompose them into departments and employees in a refined manner. Based on SK's insight into the internal and external environment, SK should refine the development opportunities based on the company's long-term strategic direction based on the analysis results after a thorough analysis of industry trends, markets, customers, and competitors [6-7].

#### 4. Conclusion

This paper analyzes employee performance and differentiated management from the perspective of employees and personnel and concludes that employee performance and differentiated management in enterprises generally show inverted U-shaped changes. That is, the degree of differentiated management is taken as the independent variable, and employee performance is taken as the dependent variable, and the level of employee performance is affected by the degree of employee differentiated management. The higher the degree of differentiated management of employees, the higher the level of performance of employees. However, when the level of differentiated management of employees exceeds a certain level, its impact will be reduced, and even the improvement of the level of differentiation will lead to a decline in the level of employee performance. But of course, employee performance will not continue to decline but will level off at some point. However, the current understanding cannot identify the point of change in this trend, and in this case, the question remains when employee performance peaks and when employee performance does not decrease. At the same time, whether the change of other factors affecting employee performance will lead to changes in the relationship between differentiated management and employee performance is also a topic that needs to be further studied.

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