The Key Strategies for Measuring Employee Performance in Companies: A Systematic Review

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Abstract: Businesses must maintain their ability to adapt in order to remain competitive in today’s ever-evolving industry. They must collect and evaluate data continuously to make educated decisions and take appropriate measures. As a result, since the turn of the 20th century, managers’ preferred areas of interest have been connected to the achievement of their companies. This systematic review aimed to assess the most important methodologies for measuring employee performance in organizations. Using the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) technique, the researchers carried out a systematic review on a specific topic. A thorough review of the literature was carried out, with a particular emphasis on articles, research papers, and other materials deemed relevant to the primary approaches for staff performance measurement and their associated factors and other relevant resources. The systematic review findings revealed that collaboration initiatives had positive and statistically significant standard-size effects on employee performance. The use of performance measurement attempts to identify the strengths and weaknesses of employees and to motivate them to improve their performance. Employee performance measurement demonstrates a favorable relationship between performance evaluation and employee inspiration. Performance evaluation schemes should be designed to provide a good treatment perspective of other teammates and the worker’s own aims.

Keywords: performance appraisal; employee; appraisal indicators; performance measurement

1. Introduction

Businesses must ensure that they can adapt swiftly to changing market conditions to be effective in today’s rapidly changing market. They must collect and assess data continuously to make suitable decisions and take relevant actions. Since the turn of the 20th century, it has come as no surprise that managers’ preferred areas of interest have been linked to the performance of their companies. By publishing a large number of studies on the subject, the scientific community also exhibits an interest in this [1,2]; Peter Drucker is well-known for claiming that firms cannot expand unless and until they stop measuring and reporting their results. Because of this, performance measurement is an important aspect assessing an organization’s growth and advancement. Imagine that a company’s goal is to grow and remain competitive over the long term. In this situation, companies must put in place a suitable performance measurement system, which will allow them to measure and assess every area of their activities in a planned and systematic manner.

Various tools and tactics are available to managers to aid them in constructing and implementing an effective performance management system. Numerous research and case studies of realistic performance management system deployments have already been completed. Significant corporations, on the other hand, are typically cited as examples of successful adoption [3–5]. According to Shahbaz et al. [6], small and medium-sized businesses have frequently been misrepresented due to their view as a smaller version of large organizations, with little consideration given to their specific characteristics and performance management objectives. Furthermore, firms seek recognition for their high
performance levels because they frequently account for a significant share of each sector and play key roles in a country’s development and success [7]. We feel that the issue of the performance management process in organizations is still underexplored, as several writers have already affirmed [8–12]. The same conclusion has been drawn in previous studies [13,14]. When it comes to business, professional literature typically concentrates on generating new conceptual performance models, definitions, and qualities but neglects to provide directions or practical strategies for putting these systems into effect.

In the opinion of Kotkova Striteska and Zapletal [15], only a small number of firms have a structured procedure for designing performance assessment systems that accurately represent the workplace structure. Henri [16] declares that there is no single theory or deep understanding of the criteria, elements, and situations that influence the application of performance indicators and the organization’s future work. As a result, it is necessary to consider how businesses may shift from assessment to organization performance [17].

The current dominant paradigm in performance measurement and management, which has its roots in electronic systems research, is investigated to highlight the potential shortcomings of existing approaches [18]. According to [19], today’s instructional practices are designed to create fear in employees while simultaneously undermining their engagement and loyalty. According to Seddon [20], performance measures and their expected value create an environment of logistical assistance that frequently results in concealed aims and demotivates employees focused on strategic planning. Specifically, Marr [21] emphasizes the significance of transitioning away from management, order, and performance reports that analyze late, false signals used to penalize employees and toward systems that promote employee engagement and participation.

In actuality, ensuring the long-term viability of a company corporation is challenging for business companies [22]. There is still a lack of awareness among practicing managers regarding incorporating sustainable business strategies and practices within organizations to measure employee performance [23]. In addition, there is a lack of clarity in the management industry concerning the implementation of corporate sustainability initiatives to improve employee performance and efficiency. According to the theory of cooperate sustainability, companies require a framework they can rely on to identify opportunities and risks, as well as to embrace sustainability policies to enhance their own and society’s long-term sustainability prospects and achieve greater financial success overall [9]. In their most recent study, Rodrigues and Franco [24] conclude in their comprehensive literature review that global sustainable development and implementation still require additional empirical and theoretical study. This is so that officials are provided with a solid foundation to build and successfully establish a strategy to maintain the sustainable growth and development of companies by improving employee performance. In addition, employee performance measurement is directly correlated with leadership sustainability, where sustainable leadership influences employee alignment and commitments and social and environmental issues. According to sustainable leadership theory, leadership is not only a position but a process of influencing the people working together to develop a shared vision for change, promote employee performance, and foster employee commitment for collective achievement [25,26]. It also reminds us that those considered to be leaders in the field of sustainability strive to produce results that maximize value across the so-called “triple bottom line” to guarantee that subsequent generations will enjoy the same advantages that we do now.

Because of this, it is critical to analyze the factors that significantly impact the effectiveness of the performance measurement management system’s operation. However, only a few studies have been carried out on this issue [27,28]. According to previous studies, a company’s culture is vital in guaranteeing effective performance measurement and management [13,29]. Organizations that commit adequate time and resources to build a performance-driven company culture and implement a well-designed performance management system can be expected to succeed. There is abundant research evidence that directly verifies the relationship between organizational control systems and corporate
There are several findings where researchers measured employee performance in companies through several tools, including setting measurable OKRs (Objectives and key results) and individual goals, implementing a project or task management tool, tracking training competition, benchmarking performance by implementing sprints, performing a skill gap analysis, and building employee performance metrics individually. However, there is no single study where all of these tools are practiced in combination, so there is a need to use these tools in combination to assess employee performance in a better way. To account for the research gaps, we performed this comprehensive review to combine all related studies with all performance-measuring tools to assess employee performance and build better insight for companies or employers. Our review discussed all performance-measuring tools along with their limitations and provided future recommendations to fill these studies’ gaps.

2. Literature Review

2.1. The Need and Purpose of Staff Performance Measurement

According to Keeping and Levy [31], performance evaluation is identifying, evaluating, assessing, and upgrading an employee’s performance within a company’s structure and culture. This incorporates the important components required for an evaluation to be effective in workplace performance management programs, hence increasing their effectiveness. Because it comprises major components that aid in examining factors affecting skilled workers, it is critical to evaluate the performance evaluation. The manager’s role in appraising and reshaping staff in a win–win situation that promotes productivity is the decisive factor for employee performance appraisal monitoring. Managers are responsible for converting the specific aspects of a worker’s workplace management into relevant and meaningful evaluative judgments applicable across organizations.

Kim et al. [32] conducted a study to determine the impact of performance evaluation methods on the ability of federal employees to receive a higher wage in the federal government. The study focused on human resource directors in the United States civil service and found that they made significant gains in the performance review of thirty government agencies. The need for perceived justice drove the research in performance evaluation, and it revealed that socioeconomic variables that influence the politics of viewed employee satisfaction appraisal were misleadingly and substantially associated with compensation for performance effectiveness, even though the study was conducted in the first place. The relevance of the evaluation was substantial, and it was combined with compensation for superior performance to produce a significant amount of compensation. According to the study, the reward for success was thought to be influenced by differences in demographic characteristics such as gender, age, level of competence, and educational attainment between states. Rana and Singh [33] performed research on the performance evaluation of the work engagement of the personnel of financial institutions in India, which they published in the journal *Financial Institutions*. For the research, different numbers of employees from ten different government financial agencies were selected. This study sought to investigate whether performance appraisals impact productivity, given that the idea is one of the largest and most often utilized techniques for evaluating employee performance in businesses. According to the findings of this study, performance management had a positive association with the employees’ responsibilities toward the organization.

According to most studies, organizational dedication significantly affects employee performance, the objectivity of appraisal systems, and compensation linked to efficacy and safety in addition to other aspects of the organization. Based on their research into procedural assistance in performance management and job performance throughout publicly traded financial organizations, Warokka et al. [34] observed that employee performance was a statistically significant determinant of individual performance parameters and was positively associated with individual performance parameters. The ability to perform an effective appraisal is connected with effective job management, promotion, and remuneration, including bonuses and pay increases. Furthermore, performance appraisal has
been related to distributive justice, which impacts how relationships in appraisal affect employees’ performance and vice versa. As previously stated, providing employees with pleasant working conditions is very important in inspiring them to perform at their highest levels and reach maximum output levels [35]. When a company’s employees are happy, they become extremely beneficial and customer friendly, resulting in superior services and a high rate of return. A positive impact on consumer pleasure, staff reaction, organizational creativity, and customer satisfaction is generated as a result of this. Finally, performance appraisals contribute to enhanced employee engagement, increasing income [36]. Organizational employers and managers react to positive feedback. Insights from customers have a strong impact on the production and job performance of a company. Collaboration within an organization is facilitated by receiving regular reports on employees’ performance and being actively involved in direct management by discussions assigned duties, the way forward, and opportunities for improvement. When given to employees, performance feedback encourages dialogues that aid in understanding their level of knowledge and responsiveness, as well as the explanation of their potential and future career progress [37].

Increasing worker productivity through positive reinforcement when leaders set rules, allocate positions, communicate ambiguous messages, and mentor leaders, the concept of having adequate production and the flow of information in top-to-bottom contact is acknowledged [38]. In the traditional communication model, employees strive to have their concerns heard, voice criticisms, and request clarifications on areas that appear to be incomprehensible. Taken into consideration, this strategy is concentrated on performance appraisal, which aids in the catapulting of the company’s growth. According to Caruth and Humphreys [39], the demand for the transparent performance appraisal of employees involves the establishment of a mechanism for monitoring feedback sessions. This is crucial for discovering faults and conducting remedial action as early as possible while having the least impact on the organization. Appropriate and decisive appraisals of employees are critical to achieving company objectives [8].

When addressing critical issues such as whether individuals participating in the inquiry are positive or negative about the information they receive, effective performance feedback is based on employees’ acceptance of the process and the responses evoked by the guidance. A study conducted by Bernstein and Li [40] examined the relationship between employee visibility, expressed in the form of performance appraisal, and performance integrity, which poses significant issues in the information era. A number of businesses utilize current technology to track employees’ performances and collect and report performance-related data and do so without the involvement of traditional upper management. According to the report, fifty prominent enterprises in the service industry were monitored using field data and substantial platform performance records on staff productivity. When a supervisor was involved, the outcomes of the study showed a vertical link; however, when communal results were compared, the findings suggested a lateral relationship.

While many businesses continue to make incentive decisions based on unstructured and subjective methods of evaluating performance, there are signs that quantitative performance assessment techniques are becoming more widely used in recent years according to some experts [41,42]. According to Gardner [41], employee performance is defined as the process of evaluating a person’s work to make fair management decisions; also known as employee valuation, it is defined as the process of gathering, analyzing, and documenting information about an employee’s relative contribution to the business [43]. This occurs due to a prearranged meeting between a company’s managers and its employees, during which the former reviews the latter’s performance in the company. In this situation, one of the key objectives is to identify strengths and weaknesses, which will serve as the framework for developing recommendations for efforts to improve organizational effectiveness and efficiency [41].

The 360-degree organizational performance evaluation is one of the appraisal approaches that has gained considerable acceptance among small and medium-sized busi-
nesses, as indicated by the current literature [44]. A 360-degree appraisal system, by definition, integrates the opinions of many groups of assessors who engage with the company’s employees. The staff’s superiors, coworkers, and other customers provide customer feedback and criticism. The procedure also integrates the employee’s perspective of themselves, granting it the distinction of being a multi-source, multi-rater, and thorough evaluation system [45]. Horng and Lin [46] highlight four important evaluations that should be included in a 360-degree appraisal system in a work performance review: identity, self-determination and self-evaluation, subsidiary appraisal, and peer review.

Management by objectives is a process for evaluating performance based on results [47]. More specifically, from the standpoint of management by objective, the objectives of the employee performance program are jointly developed by a diverse group of critical players, including colleagues, managers, and employees. A common goal-based appraisal approach consists of several tasks that must be completed. The approach moves on to the next step, starting with forming specific staff objectives. It is vital to design a plan that outlines the measures that must be taken to achieve the objectives. The employee is then granted the authority to carry out the actions outlined in the stated action plan. This makes it possible to evaluate performance objectively. Preventive measures are taken when needed, and new goals for the future are established.

As Huang and Lien [48] point out, one of the most important aspects of management aims to highlight the requirement and importance of employee participation. According to Peter Drucker, who founded management by objective, targets are essential in all industries where productivity and success directly impact a company’s survival ability [49]. As Islami et al. [50] points out, Drucker placed a high value on participatory goal development and self-evaluation as fundamental components of MBO, and he considered them critical components of MBO. While Drucker pioneered the MBO concept, it was adapted for full application as a performance appraisal approach by McGregor, considered one of the most influential figures in management. The management by objective technique developed by McGregor identifies faults in traditional appraisal systems, such as an overemphasis on personal attributes, and suggests improvements. A method in which the inferior also develops short-term performance targets that are addressed by the superior and against which performance is judged is proposed by McGregor as an alternative [51].

2.2. The Key Elements of Staff Performance Appraisal

2.2.1. Defined Goals and Objectives

A system that effectively evaluates employee performance must have strictly outlined goals for completing tasks or achieving objectives. The objectives must be precise, well-defined, quantified, and scored in terms of points [52]. This can be accomplished through various material properties specified by higher management, which enable workers to increase their job performance and achieve their concrete objectives, helping the firm’s annual development. When goals are articulated properly, management and workers are always on the same page. The optimal performance appraisal system really should take into account the difficulty of the worker’s goal.

2.2.2. Feedback

Reliable and quantifiable feedback and appraisals are critical components of an effective worker evaluation process, as demonstrated in Table 1. Employees seek information not only on the project given but also on their collaborative efforts in completing various responsibilities managed by several organizations. This would provide a comprehensive picture of “employee performance”, necessitating the use of 360-degree feedback. Employees should receive reliable performance feedback on all aspects of their tasks and contributions to the organization from their managers, colleagues, and employees, among others.
Table 1. Final functional and behavioral items of staff performance appraisal.

<table>
<thead>
<tr>
<th>Appraisal Dimensions</th>
<th>Items</th>
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<tbody>
<tr>
<td>Creativity and innovation</td>
<td>■ Adding feedback or emerging ideas via individual or group struggles.</td>
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<tr>
<td></td>
<td>■ Developing innovation strategies to advance affairs at the individual or organizational level.</td>
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<tr>
<td></td>
<td>■ Follow up on modern strategies to minimize lacks and refine problems.</td>
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<tr>
<td></td>
<td>■ Willing to implement new approaches in administrative procedures.</td>
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<td></td>
<td>■ Evaluating the reasons for success and failures and implementing them in the workplace.</td>
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<tr>
<td></td>
<td>■ Flexibility in abandoning a strategy or measure and implementing a modern strategy or measure.</td>
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<tr>
<td></td>
<td>■ Self-learning and contributing to learning programs and stabilizing and implementing the learning outcomes in decision-making processes.</td>
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<tr>
<td></td>
<td>■ Performing duties without the direction and supervision of employers.</td>
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<td></td>
<td>■ Willingness and efficiency in learning the capabilities needed to advance aims and programs.</td>
</tr>
<tr>
<td></td>
<td>■ Trying to update professional understanding and increase expertise.</td>
</tr>
<tr>
<td></td>
<td>■ Regular use of all expertise and professionalism in executing the assigned duties.</td>
</tr>
<tr>
<td></td>
<td>■ Willing to perform duties and achieve aims in due time.</td>
</tr>
<tr>
<td>Learning and growing ability</td>
<td>■ Executing operations and follow-up schedules based on assigned instructions.</td>
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<tr>
<td></td>
<td>■ Behavioral consistency in social ethical roles and norms in the workplace.</td>
</tr>
<tr>
<td></td>
<td>■ Efficient use of services, instruments, equipment, and assets.</td>
</tr>
<tr>
<td></td>
<td>■ Presence at the workplace, timelines, and accessibility.</td>
</tr>
<tr>
<td></td>
<td>■ Appropriate and quick response in emergencies.</td>
</tr>
<tr>
<td></td>
<td>■ Professional problem identification and solving ability.</td>
</tr>
<tr>
<td>Obligation and responsibility</td>
<td>■ Deciding the actions, services, and human assets needed to run the project.</td>
</tr>
<tr>
<td></td>
<td>■ Seriousness and persistence in the pursuits of matters according to HSE protocols.</td>
</tr>
<tr>
<td></td>
<td>■ Cooperation with other employees in group efforts to create a motivational and constructive environment.</td>
</tr>
<tr>
<td></td>
<td>■ Communicating graciously, humbly, and stress-free with others.</td>
</tr>
<tr>
<td></td>
<td>■ Correct, precise, and transparent written or verbal data exchange with others.</td>
</tr>
<tr>
<td></td>
<td>■ Delivering directions to clients and paying full attention to their feedback and criticism.</td>
</tr>
<tr>
<td>Planning and actions</td>
<td>■ Willingness to perform tasks based on responsibilities, missions, and problem instructions.</td>
</tr>
<tr>
<td></td>
<td>■ The completion of tasks in due time according to responsibilities, missions, and problem instructions.</td>
</tr>
<tr>
<td></td>
<td>■ Providing timely technical and specialized reports, comprising activities, progressions, and remedies.</td>
</tr>
</tbody>
</table>

Giving feedback is one of the most frequently cited reasons for an organization to implement a performance evaluation system [53,54]. As Swan [54] argues, via the performance review, workers discover precisely how they performed throughout their employment period and use the data for future performance improvement. In this sense, performance assessment feedback ensures that the company’s requirements are stated effectively. In
this scenario, feedback is a critical tool for enhancing employees’ morale on reasonable grounds where the person performed exceptionally well. Positive feedback, in particular, stimulates the employee to perform better. When an employee’s performance falls short of expectations, constructive criticism from the feedback enables the employee to correct the inadequacies and weaknesses and reinforces appropriate behaviors for improved performance [55].

2.2.3. Flexibility

Firms that aim for and thrive on competition and innovation incorporate appraisal systems into their daily operations to retain experienced employees. Each firm has its assessment tools or appraisal systems for evaluating or rating its staff. Thus, a workforce management system should enable firms to establish distinct mutations based on the job profile. The performance management program should also support project imports from JIRA (Table 1).

2.2.4. Self-Evaluation

A real-time employee recognition program should begin with developing a task or activity and continue until it is completed; it should include a self-assessment of the study, team leaders and managerial assessment, accumulated task evaluation, and point-in-time rankings. Personnel who dispute an order should be given the option to contest it and obtain clarification, if necessary, of how the assessment was generated [56]. As part of the worker evaluation development and review system, self-assessment helps individuals assess and evaluate their performance on given tasks or objectives, highlighting critical accomplishments and increasing their accountability for regular work. This self-assessment should be integrated into the broader performance review process, providing indicators for employees to improve job satisfaction [56] (Table 1).

2.2.5. Compensation and Rewards

Each employee is entitled to the highest possible remuneration, benefits, and recognition for his/her accomplishments. Wages and benefits are justified through rewards, bonuses, pay increases, salaries, recognition for significant achievements, and other monetary advantages. Some of these are assured, while others are not, and their allocative efficiency should explain this explicitly to all workers. You can boost creativity and morale by incorporating an employee engagement approach that includes rewards. One of the most prevalent beliefs in performance management research is payment or expectation to be paid among the most suitable compensating employees, increasing motivation [57,58]. In this scenario, money works as an extra incentive by informally meeting the worker’s requirements through incentives and salary. Stringer et al. [59] use a behavioral approach to justify pay for performance, arguing that money can be connected to productivity by establishing particular targets. Following that, employees are compensated depending on their ability to meet these goals. In this situation, the external drive to earn more induces workers to exert additional effort and deliver superior results [60]. Performance evaluations are critical in establishing the reward or salary rise to be paid. For example, Stringer et al. [59] remark that when calculating incentive payouts, the sales and human resource departments may establish a worker’s required level of performance, such as the number of sales. Personnel who exceed found benchmarks receive monetary rewards, such as an additional percent for achieving a certain level of earnings. Performance evaluations streamline the entire process.

2.2.6. Performance Improvement Plan

Additionally, performance assessment applications should include a performance review for underperformers. Performance improvement plans allow underperformers to improve over a given timeframe. The research on the link between internal and external factors in facilitating organizational productivity is inconsistent [61]. According to the
crowding hypothesis, Idowu [62] claims that when an employee finds a task that needs to be completed, the positive impacts may be negated if external benefits are associated with the activity. In other words, the existence of a link with integrative motivation may influence the congestion of self-rewards—for instance, Idowu [62] reports that using pay as a motivator can weaken self-rewards (e.g., achievement). As a result, the employee’s performance suffers.

However, on the other hand, numerous studies indicate a positive correlation between motivational factors and their impact on performance. According to this theory, job satisfaction is influenced by employment itself, acknowledgment, and individual achievement. External factors, on the other hand, involve income and monitoring. When Herzberg discusses motivational factors, he notes that hygienic elements contribute to job pleasure as an element of the self-determination theory mechanism since they meet an individual’s urge for personality. In this case, the assertion is that various motivational factors work synergistically to improve employee performance [61].

2.3. Measuring Employee Performance

2.3.1. Checklists, Graphics, and Scale Ratings

Graphical rating scales are the most frequently utilized method for performance reviews in most enterprises [63,64]. In this aspect, a graphic rating scale involves a performance appraisal evaluation checklist. Based on the examined component, the manager ranks the individual using the inventories on a spectrum ranging from terrible to significant. According to Woods [64], the appeal of graphical rating scales is their adaptability to several job types. Additionally, such scales are believed to be relatively cheap, with low training effort and short duration. Panari et al. [65] identify several performance characteristics that may be quantified efficiently using graphic rating scales. To begin, such measures can be used to assess a worker’s quality performance. The ability of individuals to consistently meet job responsibilities, objectives, and expected results is evaluated on this scale. Second, assessment tools can also determine whether an individual makes efficient use of information plans and working hours and delivers tasks on time. Additionally, the workers’ job expertise can be evaluated. This category includes job-related skills acquisition of knowledge, practice, and on-the-job training [65].

Despite their ease of use, numerous studies demonstrate a variety of drawbacks associated with graphical rating scales. To begin, the scales’ homogenized character obscures the features of trait importance [43]. Armstrong [43] observes in this example that specific characteristics are more relevant in certain positions than others, and hence the specific working context should be considered. Additionally, rating scales may struggle with structural benefit, in which case performance indicators are omitted due to an inability to generate outcomes that accurately reflect a worker’s entire value [64].

2.3.2. Self-Evaluation

Inquiring about an employee’s evaluation other than the individual’s performance can be highly efficient. Workers are frequently more skeptical of their performances than you are. You can use numerous formats, an essay format, or a mixture of these. Relating a self-evaluation to auditor independence can aid in identifying similarities and inconsistencies and provide a complete picture of an employee’s performance. This has the potential to stimulate discussions that are good for staff development.

Meaningful performance management programs should begin with establishing a task or activity and continue until the work or training is completed; they should include task self-assessment, team leader and managerial evaluation, accumulated task evaluation, and point-in-time rankings. Personnel who disagree with an order should be able to debate it and, if necessary, get an explanation of how the assessment was made. Self-assessment as part of the worker evaluation development and review system assists individuals in assessing and evaluating their performance on specific tasks or objectives, highlighting significant accomplishments over time, and improving their accountability for routine labor.
This self-assessment should be incorporated into the broader performance review process, giving employees indicators for job satisfaction improvement.

3. Methods

The papers included in the review were identified using a method guided by the PRISMA guideline for preferred reporting items for systematic reviews and meta-analyses [66], as demonstrated in Figure 1a,b. The selection criteria for the papers selected were limited to those reviewed in full length between 2010 and 2021.

![Flowchart](image-url)  

(a)  

Figure 1. Cont.
A comprehensive search was undertaken in high-index journals articles, such as the Web of Sciences and Scopus, using keywords, essential techniques, and staff performance measurements. Eighty-seven records were gathered from several websites, all published between 20 November 2010 and 20 November 2021. The databases were then updated, and all 2021 papers, including 46 records, were searched through 23 April 2021. After the removal of duplicates, the titles and abstracts of these articles were changed depending on the definition of inclusion and exclusion. Numerous studies investigating primary methodologies for measuring employee performance in businesses were included. Exclusion criteria included non-English journals, articles whose whole text could not be accessed, and articles written by clinical groups with distinct personalities. Sixty-five papers were selected for comprehensive text inspection based on their titles and abstracts. The final review included 15 articles. The identified journals’ references and citations were analyzed. The flowchart in Figure 1 shows the processes of the search, selection, and final article and information extraction (detailed methodology used in the present review article). The following step demonstrated how to use the reader application software to examine the co-authoring and founder networks of 133 articles’ keywords. Following that, the remaining 15 articles were reviewed.

4. Findings

At the start of the research, 133 articles obtained at the initial stage were reviewed and presented. We used the most common search engines such as Web of Science, Google Scholar, ResearchGate, and database sites to access these articles. Afterward, the selected articles were analyzed to see the links between the author and the firm’s participant performance measurement system. We also found all keywords from these articles in 133 papers to find the most general terms closely related to our planned review. Furthermore, 76 items were linked, and 12 groups were created. With 15 publications, Idowu had the most significant number of articles and the highest interaction and accessibility. Four hundred and fifty-seven keywords were associated with a similar fact three times in the articles reviewed.
from 2340 keywords. There was an identification of the cooccurrence system of themes in these papers. The terms “employee performance” and “staff performance measurement methodologies” were the most common in these papers. Table 2 illustrates the studies’ emphasis and the main findings.

Table 2. Bibliography of cited articles.

<table>
<thead>
<tr>
<th>Authors, Year</th>
<th>Reference</th>
<th>Title</th>
<th>Index</th>
<th>Findings</th>
</tr>
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<tbody>
<tr>
<td>Ibrahim, Z., Ismail, A., Mohamed, N. A., &amp; Raduan, N. (2016)</td>
<td>[68]</td>
<td>Association of managers’ political interests towards employees’ feelings of distributive justice and job satisfaction in performance appraisal system</td>
<td>-</td>
<td>Managers’ political objectives have an impact on both employees’ views of distributive justice and their level of job satisfaction.</td>
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<tr>
<td>Idowu, A. (2017)</td>
<td>[62]</td>
<td>Effectiveness of performance appraisal system and its effect on employee motivation.</td>
<td>-</td>
<td>The findings demonstrate significant positive results when the organization uses performance assessment as a motivation tool.</td>
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<tr>
<td>Hung, S., Durcikova, A., Lai, H., &amp; Lin, W (2011)</td>
<td>[58]</td>
<td>The influence of intrinsic and extrinsic motivation on individuals’ knowledge sharing behavior.</td>
<td>ISI, Scopus</td>
<td>The findings demonstrate that a knowledge management system with integrated reputation feedback is essential for the successful sharing of knowledge.</td>
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<tr>
<td>Prasetyaningrum, D.,</td>
<td>[70]</td>
<td>Analysis of performance appraisal system with 360-degree feedback</td>
<td>-</td>
<td>Performance assessment system analysis with the 360-degree feedback technique.</td>
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<td>(2020)</td>
<td></td>
<td>Exploring the significant factors of employee performance management</td>
<td>-</td>
<td>Critical indicators of performance appraisal systems.</td>
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<td>&amp; Chowdhury, T. A.</td>
<td>[71]</td>
<td>system in commercial banks: A multivariate analysis.</td>
<td></td>
<td>Evidence-based information increases the comprehension of the position performance management achieved and gives practical guidance on the interpretation and application of this evidence.</td>
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<td>guide to delivering high performance.</td>
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<td>Thursfield, D., &amp;</td>
<td>[73]</td>
<td>Exploring performance management in four UK trade unions.</td>
<td>ISL,</td>
<td>Using performance management systems to implement the system.</td>
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<td>Brayley, K. (2016)</td>
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<td>Scopus</td>
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<td>J., &amp; Liden, R. C.</td>
<td></td>
<td>human resource practices, and cultural value orientations.</td>
<td>Scopus</td>
<td>Measuring business performance has become a crucial subject in academia and business since businesses are forced to generate accurate outcomes.</td>
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<tr>
<td>(2016)</td>
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<td>An efficient management process is necessary to ensure employee engagement at each step of the goal Accessing the performance of company employees is directly correlated with the capability of employees to perform effectively in the management and delivery of services</td>
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<tr>
<td>Smith, M., &amp; Bititci,</td>
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5. Discussion

5.1. Indicators of Staff Performance Measurement and Evaluation

Teams can be described as a combination of people working together to attain the same aims and objectives to produce exceptional service quality. Teamwork has the power to provide staff members with a higher state of mental stability, consciousness, and the
capacity to organize and choose effectively in combination with others. It also seeks to produce a safe workplace with sustainable objectives, imaginative play, positive methods, and values. In contrast, the lack of manners and teamwork theories can result in psychological failure, dissatisfaction, poor moral standards, and low productivity that undermines the organization’s entity. Workers who operate in a company without a robust cooperation approach do not usually accomplish the effects and the business’s aims and ambitions. The availability of a concept of cooperation is an essential rule to let workers work together imaginatively to achieve similar objectives. The team’s operating performance is better than its own when it involves a broader range of information, decisions, and viewpoints. The benefit of cooperation is a significant increase in productivity in the areas where creative solutions for diverse tasks, great flexibility, and strategic efficiency are required [67].

The sustainability of any institution and company demands good teamwork since it helps employees strengthen individuals and their abilities and discover the right tactics for effectively fulfilling the needed responsibilities. The positive engagement and cooperation between staff also enable them to better grasp the importance of teamwork in establishing human society and helping people reach the shared objectives they all need. According to Sal and Raja [67], “The collaboration of the firm is the only method to achieve anything with performance and affordability and a significant cause why population development is under controlled and why the performance of the company is evaluated by senior management to attain the required objectives”. Most successful firms do not hire employees who can work with teams to manage problems and do various duties. This highlights the importance of teamwork as an essential ability in the working environment. The notion of teamwork has been used in people’s entire careers to solve various types of conflict, fulfill basic demands and necessities of life, and make smarter choices for the advantage of all sections of the population. Therefore, teamwork can also be regarded as a significant power given to better alternatives by a group of persons.

Teamwork helps to enhance the abilities and views of the staff by automatically exchanging favorable remarks, feedback, expertise, and viewpoints between staff and creates steady growth in the administrative services and performance of employees. Therefore, organizations should improve the spirit of teamwork among their workers to promote productivity and innovation to enhance organizational performance and each firm’s performance. The main benefit of teamwork is also to reduce complexity, which makes it easier for employees to execute without any job stress as tasks are spread among all the teammates. Certain businesses in today’s modern industries do not develop due to weak teamwork among the personnel, which has a lasting impact on their performance and personnel. A vast number of resources are also enhanced due to shortcomings in teamwork that directly endanger the effectiveness of the business.

Successful business communication is an integral component of the job of each worker. Firms assess this competence as follows: Clear, concise, written, and vocal communications. Please monitor voice mail, email, and client requests in due course. Reaction to coworkers. The ability to convey views, concepts, and feedback effectively. Regardless of your role, you serve your client base explicitly or implicitly via your job. The firm will evaluate you on crucial customer care performance objectives, including friendly customer service relations. You are ensuring that problems are dealt with instead of being passed on. You are offering customer feedback alternatives. Timely reaction to consumer requirements. Positive corporate image.

During the assessment, performance standards directly relevant to your activities are assessed. However, this precise area varies depending on your functions and duties. Firms will also evaluate if you have achieved post-targets during the time between assessments. Generally, these goals are related to your job role and involve anything from introducing a particular system to managing a team effort or achieving a profit objective.
5.2. Staff Performance Measurement Methods

5.2.1. Management by Objectives (MBO)

As one of the primary appraisal approaches, management by objectives is described as an outcome assessment strategy [68]. In greater depth, the goals of the performance management system from an MBO approach are jointly established by many significant participants, including the employees, supervisors, and managers. A standard MBO appraisal approach involves a series of steps. The procedure begins with the formulation of specific guidelines for the personnel. An implementation plan defining the method wherein the objectives are to be attained is established. The worker is then permitted to perform the implementation strategy. This enables the evaluation of performances objectively. Appropriate actions are conducted under the conditions judged required, and new targets are created for the future.

As a critical feature of MBO, as Vilnai-Yavetz and Levina [69] state, it emphasizes the value and importance of job performance. Peter Drucker developed MBO as a term. He recognized that objectives play a critical function in all sectors where performances and outcomes significantly influence the organization’s growth [49]. As Islami et al. [50] further add, Drucker emphasizes collaborative goal creation and self-evaluation as one of the most significant parts of MBO. Although Drucker launched the MBO program, McGregor is among the most prominent figures in leadership who adapted it for full implementation as a unique performance technique. McGregor’s MBO approach draws awareness to shortcomings in standard appraisal systems, such as high concentrations of personality qualities. Instead, McGregor recommends a strategy in which the submissive also establishes simple performances reviewed with the dominant and performance assessed against specific objectives [62].

In terms of performance, the MBO strategy has been demonstrated to give significant advantages to the firm and its personnel. Significantly, the MBO technique promotes impartiality, allowing for multiple feedback and stimulating workers’ performance gains through incentives. Mwila [77], while endorsing the necessity for firms to use MBO, observes that this method provides considerable value to performance in the sense that workers tend to demonstrate backing for objectives that they feel are desirable. In this scenario, employee adoption of corporate goals is seen as one of the main approaches in the MBO process.

However, a comprehensive analysis of MBO research demonstrates that this type of performance rating is not without limitations. One of this strategy’s primary limitations is that it will not let observers watch how individuals cope with every situation over the provided employment period. This is related to the range of objectives [78]. In this situation, the technique in which the worker under review arrives at the outputs may not accurately indicate a better allocation of resources. In addition, Van Herten and Gunning-Schepers [79] contend that the MBO technique gives little attention to direct comparison since no standards are offered considering the changing working environment during work experience.

5.2.2. 360-Degree Feedback

360-Degree performance evaluation is evidenced by current literature as one of the assessment methodologies that has widespread popularity among businesses and organizations [70]. By definition, a 360-degree appraisal system incorporates the perspectives of several sets of evaluators that interact with the firm’s personnel. The worker’s leaders, peers, and clients all serve as reviewers. Additionally, the process incorporates the employee’s perception of an individual, earning its reputation as a multi-source, multi-rater, and complete assessment system [62].

The basic assumption of 360-degree performance evaluation is that a massive portion of key performance indicators about a worker may be acquired [71]. In other words, 360-degree feedback systems enable the collection of data about someone from various perspectives and viewpoints. Additionally, the 360-degree performance management
system is viewed as one that assists in conquering the adverse effects associated with traditional assessment methods, such as racist attitudes, interiority, and optic discrepancies. For example, this performance measure strongly suggests that the worker will be ridiculed exclusively by the management team. Huda et al. [71] add that employees consider 360-degree appraisal methods more reliable and representative of their performance. As a result, they are regarded as highly successful in presenting the facts that may be used to ascertain a staff’s training requirements.

Following the effectiveness of the 360-degree evaluation system, various barriers to success have been highlighted in the research. For example, Idowu [62] highlights that using a specific element present in the samples, such as quantitative or language, in 360-degree platforms inhibits the opportunity to capture the range of information provided by assessors. The appropriate evaluation of the outcome is challenging because quantitative assessments may not always adequately capture relevant data.

5.2.3. Assessment Center Method

An assessment center is a crucial place where management can gather for work-related exercises assessed by qualified auditors. It focuses more on social awareness through a series of selected activities or work examples. Assessments are asked for in-basket activities, working groups, computer models, character building, and other related operations, which demand the same qualities for effective job performance. The assessment center evaluates the features: firmness, customer service skills, communication skills, planning and organizing skills, self-confidence, stress tolerance, emotional state, decision making, responsiveness to feelings, administrative capability, innovation, alertness, etc. Skilled position simulations are used for sports activities, discussion groups, recruitment simulations with supervisors or customers, fact-seeking exercises, analytical/decision-making/problem-setting exercises, oral exercises, and formal communication activities [72].

5.2.4. Behavioral Anchored Rating Scale

Behavioral anchor scales are instructive rather than numerical. The empirically and theoretically grounded performance factors can be differentiated from each other. The rater will not be the judge as an observer. Behavioral anchor scales begin to reflect on specific desired and unwanted work behavior episodes, providing models for explaining a rating. Behavioral anchor scales use conduct words or specific examples to describe several performance levels for each performance factor. The primary performance elements of the job are determined first by the behavioral scale approach, for instance, social relations. The technology then uses additional details from a critical event file and assigns quantifiable ratings to each action desired. A particular story in this system illustrates what is “excellent” and “bad” for each classification. The benefit of this system is that it concentrates on the actions it wants to execute or perform the task. This system incorporates a scale of graphics with a system of significant happenings.

5.2.5. Human Resource Accounting Method

For every firm, human resources are vital assets. The accounting approach of human resources focuses on finding the relative value of this resource in monetary terms. In this approach, staff performance assessment is evaluated in terms of operating expenses and productivity—all costs incurred by the individual, such as their wages, recruitment, and selection costs, as well as training and induction costs, whereas their participation comprises the full economic benefit. The gap between employee costs and contributions should be more significant than their costs.

5.2.6. Employee Performance Matrix (EPM)

Regarding strategy alignment, the PMM model uses aspects such as emphasis on the equilibrium of interested parties (stakeholders), transparency and elegance, and verticality and harmony [80]. Because it is a comprehensive model, it verifies all potential metrics
of an employee’s performance in an organization and identifies omissions or areas where greater concentration is required, as demonstrated in Figure 2. It is possible to define the organization’s strategic goals and translate them into performance indicators through a hierarchy and collaborative way using this model, which integrates the different business achievement classes and combines the financial and non-financial perceptions with the domestic and international perspectives [81]. It enables us to track the pathways taken by all available measurements of an organization’s performance. While its simplicity has been praised, it has been criticized for neglecting to consider some views and linkages that are more explicitly considered in other models such as the BSC [82].

![Employee Performance Metrics]

### Figure 2. Employee Performance Metrics.

#### 5.3. The Role of Staff Performance Measurement for the Overall Growth of Organizations

Performance management enhances business performance by lowering personnel turnover, boosting the firm’s profit margin, and delivering strong business results. According to new global methods for performance management, managerial workers are supposed to steer their employees through a strongly outlined and advanced service contract. Immediate real-time feedback provides HR-based performance management solutions that are more attractive and practical. Employees can only reach their targets and exceed expectations if they are fully clear about their requirements. Objectives that are routinely established, brief, and constantly acknowledged are far more successful. Personnel use performance management systems to help employees see the connections between their objectives and the more comprehensive business performance. This gives people direction and significance in their employment.

The sustainability of the performance management process connects staff and organization goals [43]. Studies have proved that this stability is ensured by carefully installing an efficient performance appraisal system. A practical operation of the performance management system requires employees to follow and engage successfully in developing a strategy. A detailed review of prior documents shows that the majority focused on the efficiency of the performance management system from company effectiveness alone [73].
Some available research tried to explain this element and suggested investigating the implementation of a performance management system in the context of workers. Zhong, et al. [74] also suggested that performance is favorable to the value of a firm. The interaction between personal and organizational management has recently evolved from technical to social processes when supervision and leadership are technically linked to the physical and administrative tendency toward environmental and structural characteristics, which contribute to organizational results [75]. The literature demonstrates that earlier research has a limited model for understanding the implementation of performance management programs and has primarily confirmed measurable results. Current organizations’ dependence on the performance appraisal system to achieve operational effects can be attained only if they concentrate more on short-term results such as employee performance via a job. London [76] further proposes that an organization’s success may contribute to developing and maintaining a solid employee commitment that improves performance.

6. Conclusions

In summary, the analysis demonstrates that the performance aims to determine the strengths and shortcomings of workers and encouraging workers are the most critical factors that affect the performance of employees. Thus, it may be argued that the organization should concentrate on both aspects to improve effectiveness. Therefore, the beneficial influence of the five roles found in the performance of employees confirms that performance assessment and inspiration for employees are positively connected. Performance assessment schemes should provide a proper treatment perspective of other colleagues and the worker’s objectives. This can substantially contribute to favorable perceptions, which have proved to be a key influencer of the engagement level and, ultimately, the employee performance in this review. The results also revealed that workers prefer awards following management performance. Therefore, management should create a more personal strategy to relate performance assessment outcomes to reward and benefits. This could greatly help to motivate employees due to better satisfaction levels. Employee performance management and measuring systems provide feedback to the employee on their performance, help to identify “bad” and “good” performance, help to document personal decisions such as discipline and promotions, and also help management to make decisions. Although employee performance measuring tools improve a firm’s benefits, there are some limitations of these practices, including a lack of objectivity in performance appraisal, appraisals sucking up time, performance reviews do not change anything, neither the manager nor the employee care, bad experiences, a lack of senior leadership participation, a lack of resources, and a lack of data understanding.

The recommendation is based on product evaluation and analysis developments, which would require a procedural framework for defining a performance appraisal system. The system approach is regarded as a basis for supporting the business. It impacts the performance of the business procedures and reduces time, enhances customer satisfaction, reduces costs, improves financial performance, improves quality, and improves worker productivity. Based on our study, we can give the following suggestions to the stockholders to improve employee performance, which ultimately improves firm efficiency; (1) set clear goals for the employee, (2), improve employee rewards, (3) effective communication with the employee, (4) identify and resolve the basic cause of the poor performance of the employee, (5) arrange regular training events, (6) conduct performance reviews regularly, (7) keep deadlines realistic, and (8) allow balanced accountability and authority (Figure 3).
**Figure 3.** Systematic illustration of possible employee-and-company-based outcomes of employee performance through sustainable leadership.

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