

Optimization Research on the Performance Evaluation System for Sales Personnel at Company A

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Abstract: This study, using Company A as a case study, identifies deficiencies in the performance evaluation system for sales personnel at Company A through surveys and interviews. The identified issues include lack of communication and feedback in the evaluation process, incomplete implementation of evaluation procedures, a singular focus in the evaluation process, and inadequate application of evaluation results. By employing tools such as Key Performance Indicators, 360-degree performance assessment, and goal management methods, and tailoring them to Company A's specific context, the performance evaluation system for sales personnel at Company A is optimized. This optimization aims to align with Company A's development strategies and to serve as a blueprint for similar enterprises.

Keywords: Corporate Objectives; Business Management; Performance Evaluation; Sales Personnel; Key Performance Indicators

1. Introduction

In the backdrop of continual impacts on the socioeconomic landscape in this new era, an increasing number of small and medium-sized enterprises are grappling with multifaceted challenges in management. These challenges include a deficiency in high-caliber talents, excessive turnover rates, and low employee engagement [1-2]. Through an effective performance evaluation system, not only can sales personnel attain fairer material benefits, but proficient sales individuals can expedite their career advancement pathways. Simultaneously, such systems play a pivotal role in propelling the realization of corporate strategic objectives [3-4]. Drawing insights from Company A as a case study, an investigation into the performance

management of sales personnel exposes several shortcomings. These include inadequacies in the designation of evaluators and evaluation cycles, insufficient emphasis on performance evaluation by employees and managers, a lack of feedback during evaluation implementation, and the disregard of evaluation outcomes. Therefore, this study delves into the myriad issues in sales personnel performance management at Company A and proposes relevant optimization strategies informed by contemporary management theories. It aims to foster a positive impact on the future management of sales personnel at Company A while offering valuable insights for similar enterprises.

2. Current State of Employee Performance Evaluation at Company A

Since its inception five years ago, Company A has witnessed continuous expansion of its workforce and ongoing enhancement of various systems. Significant progress has been made in sales as well. However, despite these advancements, the performance evaluation system at Company A is plagued by several shortcomings, lacking the necessary scientific rigor and completeness. This deficiency has resulted in instances where sales employee exhibit limited enthusiasm, slackness, and a failure to meet performance targets. The current performance evaluation system at Company A harbors numerous loopholes, with some frameworks directly borrowed from other enterprises and certain evaluation methods diverging from the actual operational context of the company. Consequently, sales personnel at the company experience issues such as unreasonable task allocation and dissatisfaction with evaluation outcomes. Presently, the sales department manager serves as the primary evaluator for performance assessments at Company A, overseeing and

supervising the evaluation process.

3. Analysis of Employee Performance Evaluation Issues at Company A

3.1 Unreasonable Evaluation Metrics

The existing performance evaluation metrics for sales employees at Company A deviate from the company's overarching objectives. Sales personnel predominantly focus on sales volume, neglecting whether their sales methods and approaches are appropriate and conducive to achieving long-term developmental goals for both themselves and the company. Simply setting performance evaluation metrics based on sales completion rates may foster competitiveness among employees, but it leads to a lack of communication among sales personnel, fostering a culture of unhealthy competition.

3.2 Singular Evaluation Oversight

Currently, the performance evaluation system for sales personnel at Company A is overseen primarily by sales managers. While the assessment results from sales managers provide insight into the performance of sales employees, these outcomes are susceptible to the subjective influence of individual managers, compromising the fairness and impartiality of evaluations.

3.3 Lack of Clear Evaluation Focus

The original performance evaluation system at Company A lacks clarity in its focus. Assessments of employees at Company A are overly formalistic, conducted for the sake of evaluation without effectively integrating performance assessments with individual and company development strategies. The true purpose and significance of evaluations are not clearly delineated.

3.4 Deficiency in Communication and Feedback during Evaluation Implementation

During interviews, some sales personnel at Company A expressed feelings of inadequately assessed capabilities, largely due to a lack of communication and feedback throughout the evaluation process.

3.5 Inadequate Utilization of Evaluation Results

Company A mainly conducts quarterly

performance evaluations, providing retraining and adjustments in salary levels for employees who fail to meet the criteria twice. However, in practice, evaluation results often remain underutilized as the company fails to adhere to prescribed procedures, typically with decisions predominantly influenced by the company's leadership team.

4. Methods for Enhancing the Performance Evaluation of Sales Employees at Company A

4.1 Establishment of Performance Evaluation Metrics for Sales Personnel

4.1.1 Extracting performance metrics

Currently, Company A is in a phase of stable growth. After considering insights from the sales department manager, the human resources department manager, as well as feedback from employees, it has been determined to define evaluation metrics across four key areas: job performance, work attitude, job capability, and work potential.

4.1.2 Decomposing performance metrics

Taking into account the actual circumstances at Company A and integrating perspectives from employees, management, and experts, ineffective metrics have been excluded. Utilizing the Key Performance Indicator (KPI) methodology, relevant indicators for job performance, work capability, work attitude, and work potential have been extracted and refined, culminating in the delineation of comprehensive evaluation criteria.

Job capability encompasses three indicators: execution of plans, prowess in high-value sales, and forecasting market trends.

Work attitude comprises four indicators: teamwork among sales personnel, discipline, sense of responsibility, and client relationships.

Work potential indicators include learning aptitude, sales acumen, and expertise. Learning aptitude pertains to whether sales personnel at Company A possess strong abilities for learning and summarizing, promptly assimilating new knowledge during sales processes, and engaging in timely reflection and improvement in their work.

4.2 Establishment of Reasonable Weighted Performance Evaluation Metrics Calculation

At its current stage of stable growth, Company A places significant emphasis on employees' sales outcomes, making the assessment of the sales process all the more crucial. Drawing upon literature on sales personnel performance evaluations and references from similar companies with regards to sales personnel assessment standards, the total score for evaluating sales personnel at Company A has been set at 100 points. By consulting with the company's expert-level management team, a recalibration of evaluation metrics has been conducted to underscore the importance of job performance metrics, allocating a weight of 75%. Job capability is assigned a weight of 10%, work attitude 10%, and work potential 5%. Job capability and work attitude can yield quicker returns for the company, hence their substantial allocation, while work potential, being more challenging to quantify, holds the smallest proportion.

4.3 Reinforcement of Performance Evaluation Organization and Implementation

4.3.1 Clarifying the performance evaluation entities

The entities involved in the evaluation play a pivotal role in both the assessment process and its outcomes. Therefore, a diverse selection of entities should be considered to minimize assessment inaccuracies as much as possible. Reflecting the actual circumstances at Company A and seeking input from experts, the weighting of evaluation entities for sales personnel performance assessment has been reallocated as follows: superiors hold a 60% weight, peer evaluations account for 20%, self-assessments 10%, and customer evaluations 10%.

4.3.2 Determining the performance evaluation cycle

Following the enhancements in performance evaluation, the evaluation cycle at Company A is structured as follows: monthly assessments, quarterly assessments, and annual appraisals. Quarterly assessments involve evaluating sales personnel's performance for the current quarter based on insights from the monthly assessments, concurrently assessing the internal sales processes. The annual appraisal integrates assessments from the monthly and quarterly evaluations to provide a comprehensive evaluation of the entire year,

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encompassing team evaluations, year-end bonuses, and considerations for promotions within the organization.

4.4 Enhancement of Performance Feedback and Communication Channels

4.4.1 Establishing performance communication and interview mechanisms

In the performance evaluation process, establishing a mechanism for results sharing enhances communication and exchanges between the evaluating parties, fostering mutual understanding and dialogue. The evaluators should proactively engage in multifaceted communications with those being assessed, employing various communication methods such as roundtable discussions, face-to-face meetings, or surveys. Companies should tailor their communication approaches based on their unique circumstances and employee profiles, ensuring effective communication to promptly address any performance-related issues and difficulties highlighted in employee feedback.

4.4.2 Establishing an employee appeal channel

To facilitate effective performance evaluations and address post-assessment issues, instituting an employee appeals mechanism is crucial for handling any dissatisfactions with performance assessment outcomes. The appeals system includes the following components:

Right to Appeal: Following the announcement of employee assessment results, any staff member with objections or concerns regarding the fairness of the assessment results can lodge complaint with the Human Resources department. The relevant departments are expected to provide a response within two working days and conduct employee satisfaction surveys to address concerns [5-6].

Right to Review: Employees have the right to review their assessment results and quantifiable performance metrics. If disputes arise, they can request a review of the assessments and metrics, and if necessary, lodge complaints with the relevant departments [7-8].

4.5 Strengthening the Utilization of Performance Assessment Results

To enhance and elevate the performance of sales personnel at Company A, there is a concerted effort to strengthen the utilization of performance assessment results in various

aspects:

4.5.1 Integrating performance results into compensation and performance bonuses

The compensation structure for sales personnel at Company A predominantly comprises salaries and bonuses. The top three performers based on performance assessment results will receive a proportionate share of variable bonuses. Sales personnel scoring above 60 points will receive 100% of their fixed bonuses, while those scoring between 50-60 points will receive 80% of their fixed bonuses. Individuals scoring below 50 points will not receive any fixed bonuses.

4.5.2 Applying performance assessment results to job adjustments and talent selection

Company A upholds standards of integrity, capability, and merit-based selection in talent identification and recruitment. Competent individuals are provided ample opportunities to showcase their strengths. Through performance assessment results, the company can analyze the various qualities and capabilities of sales personnel, enabling timely adjustments to their work positions based on individual circumstances. By identifying talent promptly and nurturing individuals possessing high-quality attributes across various facets, the company can groom them for leadership roles, thereby alleviating talent constraints[9-10].

4.5.3 Incorporating performance assessment results into sales personnel training

By leveraging performance assessment outcomes, businesses can identify areas for improvement and weaknesses in sales personnel, pinpointing the necessary enhancements in skills and professional conduct. This targeted approach allows for tailored training programs to enhance the sales team's business acumen, learning capabilities, and sales skills. Company A's primary objective in training sales personnel is to bridge the gap between expected performance levels and actual outcomes. For underperforming individuals identified through the assessments, specialized training is provided. Exceptional performers are guided further to assist in career planning and development within Company A.

5. Conclusions

Through a survey conducted at Company A, it was revealed that the performance assessment system for sales personnel was deemed inadequate. Issues identified included insufficient attention from both employees and managers, a singular focus in the assessment process, lack of effective communication throughout the evaluation process, and disregard for assessment outcomes. Considering the specific circumstances at Company A, performance indicators were categorized into four dimensions: job performance, work attitude, work capability, and work potential, aiming to minimize the impact of individual biases on performance evaluation. By conducting an analysis, adjustments were made in defining evaluators, evaluation cycles, weightings of assessment criteria, communication feedback channels, and the utilization of assessment results to align with Company A's organizational objectives. This optimization through assessments aims to enhance sales personnel performance, facilitate continuous career development, advance Company A's strategic growth initiatives, and elevate the management of sales personnel by the company's HR department. While Company A serves as a representative case study, certain tools and measures may not be universally applicable across different companies, thus posing limitations. Additionally, constrained by the author's expertise in business management and cognitive perspectives, there may be areas where the understanding of certain issues lacks depth. Consequently, there may be certain aspects within the improvement plan that require further refinement and scientific rigor in future research endeavors.

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