

Create a Holistic Performance Learning System that Incorporates the Balance between various Dimensions of Performance in Kuwait

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Abstract

This paper discusses about creating a holistic performance learning system in a local family business in Kuwait. It addresses the challenges that occur in management controls, how to induce leadership into performance management, and the relationship between Performance Management and other organizational systems. The performance learning system further discusses the cultural and ethical considerations, the learning system, connectivity to other organizational system, flexibility in changing times, and connectivity to strategic initiatives in Finance to HR.

Keywords: Accounting; e-Government; Documentation system; Empowerment

Introduction

The complexity of the present day business world is visible in low-cost prospects, rapidly expanding global markets, the enhancing of operating efficiencies and the delivery of better and more personalized customer service [1].

A learning organization possesses the competence to: foresee and become accustomed to environmental impacts; pick up the pace in developing new product launch, processes, and services; grow to be more capable at learning from competitors; accelerate the transfer of knowledge from one part of the organization to another; gain knowledge from mistakes; build greater organizational use of employees at all levels of the organization; cut down the time required to implement strategic changes; and motivate continuous improvement in all areas of the firm [2].

The systems-linked learning model in an organization consists of interrelated subsystems like learning, organization, people, knowledge, and technology. The systems-linked learning model destabilizes if either of subsystem fails or not available. Therefore, the organization must improve continuously all aspects of its operation to fulfil the vision and achieve high customer satisfaction levels [1,2].

Discussion

The KPIs Salary Competitiveness Ratio, Net Profit Margin, Order Fulfillment Cycle Time, Employee Satisfaction Index, Average amount of products shipped to one customer, and Altman's Z score tool is interconnected. A firm's sales management system is frequently recognized as an important management tool that affects salesperson attitudes and results [3]. At present, firms compensate their sales team with bonuses, commissions, and other rewards to motivate and direct their effort, that result in performance accomplishment [4]. The executives of the firm must make decisions with regard to monitoring, directing, and evaluating the activities of the sales department to meet the goals [3].

The different configurations of the individual (age and past sales experience), the environment (market turbulence and product complexity), and the firm's (relationship selling strategy, empowerment strategy, and compensation strategy or pay mix) strategies form the global sales condition. When configurational approach is implemented, these dimensions mentioned above should be included in the

identification of the sales situation configurations. The past research has proposed that factors mentioned above are important components to include in a model of organizational fit [3].

The 2 important environmental pressures that sales people face are market turbulence, and product complexity, and must be controlled using a system. The roles and responsibilities of sales representatives in stable market conditions are specific; however, as turbulence increases, employees face increased uncertainty [5]. Turbulent markets are viewed as ambiguous, risky, and problematic to the salesperson. The extent to which the product offering is technically complex and sophisticated also leads to greater uncertainty among employees [6]. Opportunistic behavior on the part of the salesperson will result from information and behavioral uncertainty. The concerns of salespeople evolve from stage to stage. Managers need to adjust their practices in order to effectively motivate and direct salespeople of varying age groups [7]. Kelley, Longfellow, and Malehorn [8] stated that employees display higher observations of self worth, which leads to increased creativity, improved problem solving, improved customer orientation [9], and more innovative new ideas [10]. High managerial control is inconsistent in the presence of empowerment. Hence, a consideration of the firm's empowerment strategy is essential to the determination of the appropriate mix of control. Compensation has been found to have dramatic effects on salesperson behaviors, including performance, customer oriented selling [11] and ethical behavior [12]. John and Weitz indicated that the firm is concerned with timely sales, hence, compensation plans emphasizing salary send an indication to the employee that a long-term orientation is valued and service behaviors are important. Compensation should be viewed as a separate organizational strategy. Relationship selling strategy addresses the extent to which the firm anticipates that it will continue the customer relationship into the future Arnold, and Hunt [13].

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Within a firm pursuing relationship selling, the salesperson focuses on enhanced interaction and interdependence with customers. Given the long-term nature of developing customer relationships, it is important that the firm's control strategy support longer-term tasks associated with pursuing a relationship selling strategy [13].

Challenges

Recently, policymakers have focused their attention on accountability and transparency of organizations. The adoption of more formal controls and business like management practices often cause conflict to the members of the organization and weaken their strong self-driven commitment [14].

Bongani reported that establishment of internal control systems in organizations is critical to ensure the reliability of accounting records, because they can constrain management or staff's reported and possible random errors. This ensures the authenticity of the content of financial reporting to provide reasonable assurance to stakeholders. However, due to the inbuilt limitations of internal controls and pressure, opportunity and excuses by management and trustworthiness of controls, discussing and benchmarking, is still not of importance [14].

In the profit-making business, accounting system reflects the results of economic events, expressing the efficiency with which the objective has been achieved. Little is known about how formal controls affect the way family businesses develop and employ capital, and how this influences their ability to deliver services with increased pressure to of being more efficient financially. With limited resources in human resource, financial control systems like Altman's Z score, therefore, helps in evaluating the financial soundness of the company [14].

Corporate governance is highly important in all sectors as it is the basic form of accountability in all bodies (Abdulkadir, 2014). Interestingly, corporate governance gained momentum due to management failure by most corporate bodies. Machuki acknowledged that organizations operate in complex and dynamic business environments that want bendable governance regulation reflecting the uniqueness of each situation arising from specific factors such as legal and financial systems, culture, ownership structure and economic conditions. Not all governance rules fits all firms and situations and therefore, governance should be understood in different contexts. Gateeba noted that a common problem is the relations between board members and staff in the organization, since the board is not willing to carry out their responsibilities of governing the firm. Board members often lack the time or the expertise to carry out these responsibilities effectively. As a result, senior staff make policy decisions with little or no support from board members. To ensure that organizational goals and mission are realized through good stewardship of resources, good corporate governance is needed [14].

Practicability of ethics and compliance controls enhances the self-regulation of members of the firm, and assist them to realize their potential in improving services in pursuit of sustainable development. Efficiency cannot be guaranteed because of the nature of the family business themselves as they are still struggling to put effective and efficient managements systems for good governance in place. They are weak and face the risk of lack of continuity [14].

The major challenge is associated with the determination of tasks, targets and indicators demonstrating the operation of the unit. Unfortunately, these actions are carried out in the tangle of existing legislation that does not fully comply with the demands and the idea of management control e.g. is the frequent identification of unit

mission with ongoing functions in unit. This leads to understandable for potential auditors and employees subdivisions of areas of tasks and goals of unit, but also born on the base of the management science the problem of the relationship between individual tasks and objectives, particularly in terms of the functions. Another very important challenge in implementing solutions to the management control is staff training. Importantly, the variant in which the reporting of management control is carried out by employees of individual cells of the firm, it is to train involving persons responsible for performing the relevant tasks in the management control, and raise awareness of other workers. The need crops up from the fact that they are the main source of information on potential sources of threats to unit tasks, as the contributing agent of the success of achieving the desired objectives. They should therefore be considered as a source of themes for possible revision of the assumptions made in management control solutions [15].

Conclusion

It is believed that Global Employee Management System (GEMS) points out the warning signs whilst at the same time providing guidelines for an organization's transformation, by: being extremely open to the environment – the development and use of business scorecards to capture the views of different stakeholders forces information change between internal and external organizational players; enlarging the total system boundaries – customers, suppliers, government and other relevant stakeholders, conventionally situated outside the organisation's sphere, are regarded as system components; encouraging regular assessment, so that even small changes in key variables are detected. Through these built-in characteristics, the GEMS, when properly set up, can become a powerful tool for examining the environment and plan strategically [1].

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