



Hot topics

# **PERFORMANCE MANAGEMENT IN ACTION**

**Current trends and practice**

- 1 INTRODUCTION
- 2 VIEWPOINT
- 4 HISTORY AND TRENDS
- 6 SURVEY METHODOLOGY
- 7 KEY FINDINGS OF THE SURVEY
  - Primary purpose
  - Who benefits from performance management?
  - What does performance management achieve?
  - What other HR processes should link to performance management?
  - Evaluation of performance management
- 14 PERFORMANCE MANAGEMENT IN PRACTICE
  - Alignment of objectives
  - Engagement
  - Line manager capability
  - Evaluation
  - Impact on other processes
  - Impact on the bottom line
  - The future
- 22 SUMMARY
- 23 REFERENCES
- 24 FURTHER READING

The interest in this perennial topic has not dimmed over the years. The demand for up-to-date information has actually intensified with the economic downturn, with HR practitioners striving to ensure they are assessing performance against fair and relevant measures and that they are focusing effort on the things that really matter for the business. Interest in the topic stems from practitioners striving to keep their processes up to date and ensuring they are compatible with the requirements of a changing breed of line manager, as well as the need to streamline paper-based systems or enable access through online media. However, more senior HR strategists are also concerned to ensure that performance management delivers in an environment where the development of capacity and impact on brand and innovation are the routes to business success.

The work discussed below follows a number of outputs from the CIPD over the years, charting the development, impact and positioning of performance management. It first discusses the results from an online survey gathering opinions and information on the process and use of performance management. Subsequently the issues raised by the survey responses were discussed in a series of telephone interviews with practitioners; these discussions are summarised together with the implications for the future development and use of performance management.

The CIPD is extremely grateful to all those practitioners who contributed to this project either by responding to the survey or sharing their expertise via telephone interviews.

Performance management is one of the key practices of people management. In their 1998 book *Performance Management: The new realities*, Armstrong and Baron defined performance management as:

*'a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved. ...A strategy which relates to every activity of the organisation set in the context of its human resource policies, culture, style and communications systems. The nature of the strategy depends on the organisational context and can vary from organisation to organisation.'*

In other words, performance management should be:

- **Effective** – it should ensure people have the knowledge and ability to perform.
- **Strategic** – it is about broader issues and longer-term goals.
- **Integrated** – it should link various aspects of the business, people management, and individuals and teams.

Ten years on this definition still holds true. Performance management is about helping people to understand how they contribute to the strategic goals of organisations and ensuring that the right skills and effort are focused on the things that really matter to organisations and will make an impact on organisational performance.

What it is not is a tick-box exercise to fulfil the needs of a training budget or a performance pay policy. At its best it is a tool to ensure that line managers effectively manage the people they are responsible for and in line with organisational objectives and goals. It is the primary means by which they ensure that individuals:

- know and understand what is expected of them
- have the skills and ability to deliver on these expectations
- are supported by the organisation to develop the capacity to meet these expectations
- are given feedback on their performance
- have the opportunity to discuss and contribute to individual and team aims and objectives.

The process should therefore be clear and concise and easily understood by everyone involved. Managers and individuals should understand what performance management is trying to achieve, not just how it should be done. Most important, and confirmed by the research, it should seek to align the activities and objectives of all employees – from senior executives to operatives – to business objectives and goals. Finally, everyone should be able to understand how the outcomes will be used and the benefits for themselves and their organisation.

Carried out well, performance management is a powerful tool to focus activity and effort and, hence, enhance business performance. Done badly it can disengage staff, foster unproductive activities, waste effort and misdirect rewards.

Performance management has been around in the language of HR and people management since the 1980s and its development as a key people management tool can help us understand its contribution and positioning in relation to other key HR activities. Through several manifestations from management by objectives to performance review, performance management has been the main vehicle by which managers communicate what is required from employees and give feedback on how well they are achieving job goals.

CIPD research and surveys have tracked the evolution of performance management since the early 1990s from a heavily bureaucratized procedure to a wider-reaching and inclusive process. The first survey on performance management in 1991 (Bevan and Thompson 1991) found a great deal of confusion around what the term performance management actually meant, with many practitioners substituting it for the tools of performance management, such as performance appraisal or performance-related pay. The subsequent survey (Armstrong and Baron 1997) found there was generally consensus that the term encompassed a range of activities to manage individual performance, but these activities were clustered around the areas of development and reward. Hence this work was able to make a differentiation between pay-led performance management systems and development-led systems.

Only in 2005 did the work by Armstrong and Baron provide evidence for performance management as a vehicle to integrate a number of activities focused on individual contribution, such as career planning, talent management and learning and development.

In addition, at that time, the CIPD carried out a separate study looking at the role of 360-degree feedback in performance management and particularly how this might be used to drive management behaviour. The issue of management behaviour and its impact on both managers' own and the performance of the people they managed were identified by the People and Performance work (Purcell et al 2003) as a critical link in the people management-organisational performance relationship. This same work also identified performance management as a key HR process in shaping management behaviour and in facilitating a positive relationship between manager and employee.

The findings reported below are from a short survey on the CIPD website in spring 2009 and from a number of telephone interviews conducted with practitioners in September 2009 following up on the issues raised in the survey. The objectives of this work are to discover the following:

- whether there are any new emerging trends

- whether good practice has moved on since our last piece of work in 2005 and how this might be reflected in advice and guidance on the process of performance management
- the role that performance management might/does play in driving organisational performance
- how performance management is positioned within the organisation and what is its key purpose
- how performance management is perceived and received by managers and individuals
- what success criteria are used to determine the value of performance management as a tool to raise both individual and organisational performance.

Over the years the evidence has tended to suggest that the process of performance management is less important than its positioning, implementation and objectives. Therefore, in this survey the focus is less on the process – which has tended to broadly endure over the years as a mixture of objective-setting, review and development – and more on the strategic intent of performance management and its role in driving sustainable organisation performance.

A total of 507 individuals responded to the web-based survey. It was largely opinion based, asking respondents their views on a series of statements.

Based on the evidence from previous work that performance management could mean different things in different circumstances, respondents were asked what they understand to be covered by the term performance management. They were then asked what they actually do in their organisations under the guise of performance management, with subsequent sections on which group of stakeholders they believe get the most out of the process, their opinion on a set of statements around what they believe performance management achieves, what other HR processes they believe performance management ought to link with and how it should be evaluated.

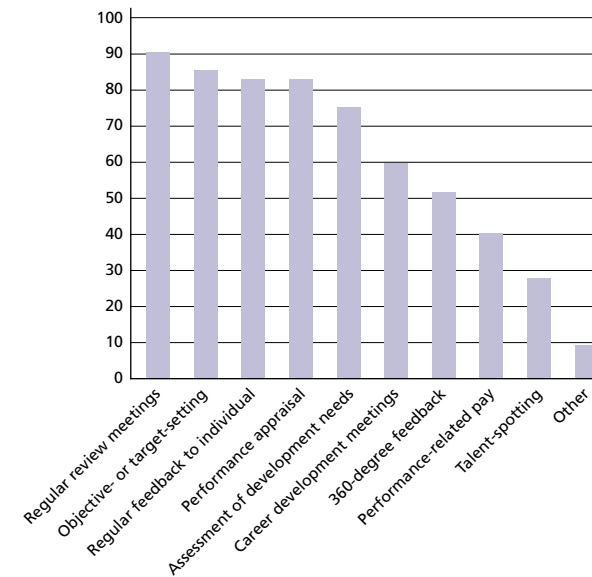
### Primary purpose

There is a surprising degree of agreement that performance appraisal, objective-setting, regular feedback, regular reviews and assessment of development needs are the cornerstones of performance management.

Respondents were asked what activities they understand to be included under

the banner of performance management. Over 90% say they think that regular review meetings should be included, 85.2% objective-setting, 83% regular feedback to individuals, 82.8% performance appraisals and 75.1% assessment of development needs. The figures for respondents' opinions on what activities collectively describe performance management are found in Figure 1.

Figure 1: What do you understand by the term performance management?

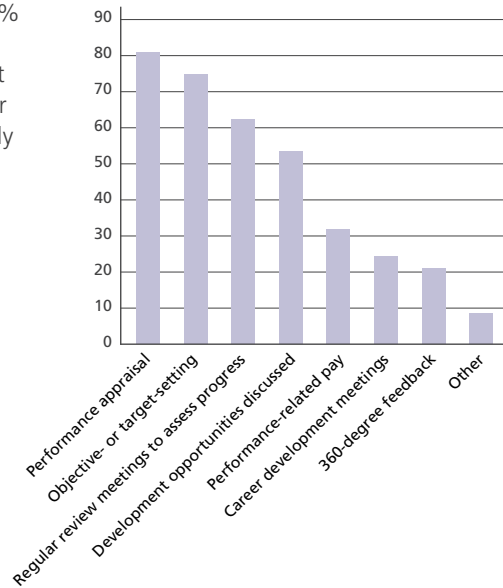


There is also strong evidence that practitioners are using performance management to embrace a range of activities: 62.1% of respondents think that more than five activities should be included in performance management and 18.3% think it should include more than eight.

However, when this is compared with what respondents actually do under the guise of performance management, the picture shifts a little. Only 62.7% actually carry out regular review meetings to assess progress against targets and 75.3% set objectives or targets. The figure for those actually

carrying out performance appraisal at 81.3% is very close to the 82.8% who feel this should be included in activities to manage performance. The full picture of the activities that respondents are actually engaged in under the banner of performance management can be found in Figure 2.

**Figure 2: What actually happens under the heading performance management?**

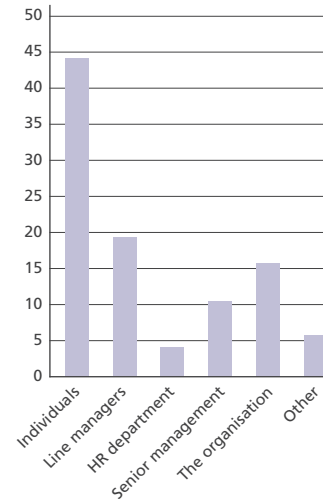


Again, slightly fewer activities are actually used to manage performance than the number respondents think ought to be included: 62% actually use more than five activities to manage performance and only 23.7% use more than eight.

**Who benefits from performance management?**

Respondents were asked who they think benefits the most from performance management. A breakdown of their responses can be found in Figure 3. An overwhelming 44% of respondents think that individuals are the primary beneficiaries of performance management. However, only 20%

**Figure 3: Who primarily benefits from performance management?**



think that performance management has a positive impact on individual performance, with the majority (59%) remaining neutral on that subject and 21% disagreeing that performance management has a positive impact on individual performance. However, 30% agree that performance management would help individuals understand what they should be doing and how they ought to be doing it.

Only 19% of respondents think that line managers benefit most from performance management. Yet 23% agree that performance management would help line managers to manage people better. Thirty-seven per cent disagree that performance management would help line managers to develop the capability to manage people better.

**What does performance management achieve?**

The full extent to which respondents agree or disagree with a number of common assumptions and statements made about performance management can be found in Table 1.

**Table 1: Performance management assumptions**

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Performance management has a positive impact on individual performance.	2%	18%	59%	15%	6%
Performance management has a positive impact on organisational performance.	4%	17%	56%	16%	7%
Performance management enables individuals to better understand what they should be doing and how to do it.	4%	26%	57%	9%	4%
Performance management helps line managers to manage people better.	3%	20%	52%	16%	9%
Performance management helps improve line managers' capabilities to manage people effectively.	4%	14%	45%	23%	14%
Performance management can help individuals develop their skills and career options.	4%	16%	61%	14%	5%
Performance management can impact on employee well-being.	4%	13%	55%	21%	7%
Performance management can help people understand the organisation's strategic priorities.	4%	17%	54%	17%	8%
Performance management can help individuals understand how their behaviour and actions affect the achievement of the organisation's strategic priorities.	4%	18%	52%	18%	8%

There is a surprising amount of disagreement about what performance management is capable of achieving. The highest level of agreement seems to be around the assertion that performance management enables individuals to understand what they ought to be doing. Thirty per cent of respondents agree with this statement, but still a sizeable 13% disagree and 57% neither agree nor disagree.

Only 17% agree that performance management might have an impact on well-being and 26% disagree. Twenty-three per cent agree that performance management helps line managers to manage people better and 25% disagree.

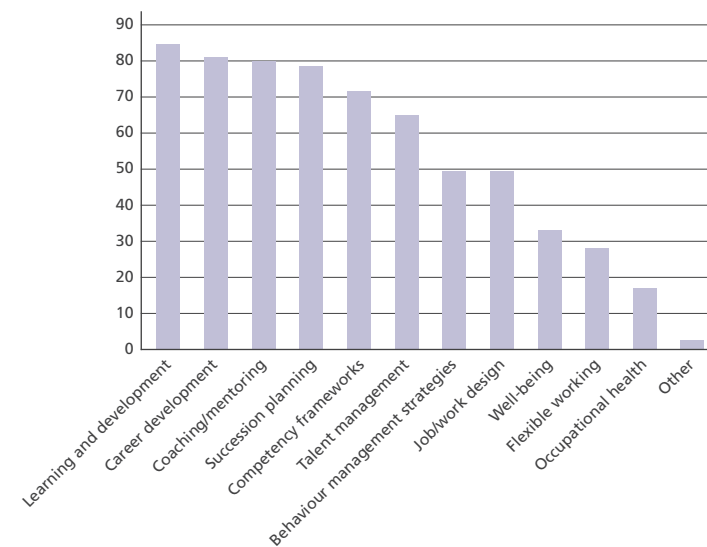
Potentially even more controversial is that although 20% agree that performance management has a positive impact on individual performance, 21% disagree.

**What other HR processes should link to performance management?**

Respondents were asked to describe what other HR processes ought to link to performance management. The responses are detailed in Figure 4; learning and development tops the list, with 85% of respondents saying this should be linked. Career development, coaching and mentoring and succession planning follow quickly behind, with talent management cited by 65% of respondents.

Once again the need to align performance management with a range of activities is recognised. The majority, 69.6% of respondents, advocate that it should be linked into at least four other HR processes and 57.8% suggest that it should link to at least five.

**Figure 4: What other HR processes should be linked to performance management?**



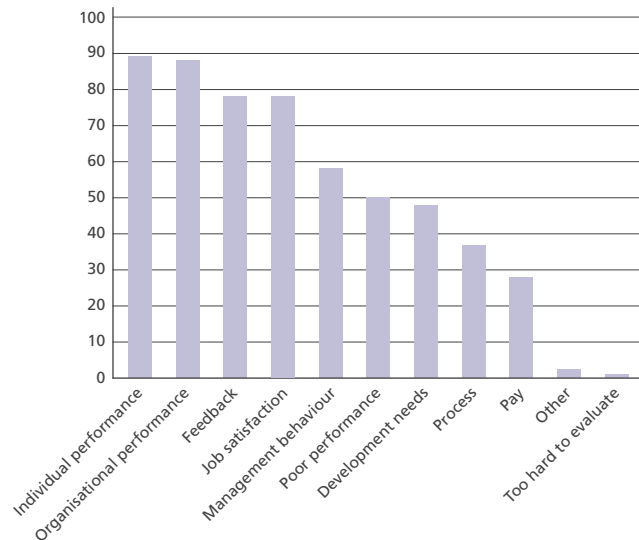
**Evaluation of performance management**

Finally, respondents were asked how performance management should be evaluated and what success criteria are used. Not surprisingly, individual performance and organisational performance comes top, with 89% and 88% respectively citing this as the chief measure of the success of performance

management. However, a broad range of measures is also suggested, with job satisfaction advocated as a measure by 76% and management behaviour by 58%. Only 1% think it is too hard to evaluate it at all!

The full breakdown of responses can be found in Figure 5.

**Figure 5: Evaluation of performance management**



Three things become immediately apparent from the results of the survey. The first is that the initial assumption around the process of performance management was right and the actual tools still remain constant. Indeed, appraisal, objective-setting and review and development still top the list of activities most commonly carried out under the banner of performance management. This mirrors the results of our 2005 survey, where 65% of respondents carry out appraisals, 62% objective-setting and 62% implement development plans.

The second is that the trend of integrating performance management more firmly with other HR processes to manage talent, develop potential, plan careers or support individuals through coaching or mentoring has continued. This is a trend that can be traced from the early 1990s, when our research found performance management to be a fairly discrete activity largely consisting of an appraisal process through its evolution into a tool closely integrated with pay decision-making and development planning. This survey clearly demonstrates the integration of performance management with a range of other practices associated with individual well-being, engagement and development of potential. For example, 34% of respondents advocate linking performance management to programmes to manage well-being and 80% advocate linking it to coaching or mentoring (see Figure 5).

The third and perhaps most important issue the research identified is the apparent existence of a significant 'knowing-doing' gap between what people think is the purpose and capability of performance management and what they actually believe it is currently achieving. This issue was therefore explored further with a range of practitioners through the telephone interviews.

Past case study based research has clearly demonstrated that it is the application rather than the process itself that makes the difference in terms of performance management. The process may remain the same but the ethos and value system within which it is implemented can make a significant difference and determine whether performance management is simply a mechanistic data collection exercise to determine development strategy or pay allocation. The interviews with practitioners, therefore, focused on the implementation and position of performance management rather than the processes involved.

All of the practitioners interviewed are working in organisations with a relatively mature experience of performance management and all of them have made at least some changes to their process over the last five years, with some embarking upon a complete redesign of the practice. They confirm the assumption that while the processes associated with performance



management have remained relatively stable, the positioning, culture in which it is implemented and purpose have changed significantly. More than one interviewee commented that while they had only 'tinkered' with the process over the years, they had completely redefined the purpose to reflect changing values, needs and efforts to drive a performance culture. For example, John McCann of the National Audit Office holds the view that:

*'...we can amend aspects of the process to make it easier for staff to use...but at the end of the day it's not about the process, it's about discussing performance, holding people to account and providing feedback as well as giving praise for a job well done.'*

The interviewees are from a range of organisational backgrounds, both private and public sector. However, their views are relatively homogeneous on the value and use of performance management and are summarised below.

#### **Alignment of objectives**

This is one of the key issues for performance management and is alluded to by most of the interviewees. The general opinion is that performance management is most useful when it aligns individual objectives with business goals and helps individuals to understand the contribution they are making and how their role fits into

overall strategic business objectives. So, for example, Angela Williams from Land Securities told us:

*'Ultimately there is no point doing performance management if it does not deliver the business objectives. It should enable you to take action at the individual level if people are pulling in the right direction...everyone whatever level they are knows where their personal KPIs fit.'*

However, this does not mean that performance management is viewed simply as a vehicle for cascading objectives. Most also feel that it is about ensuring people know how and why objectives need to be achieved as well as what they should be. Steve Jones from Novartis told you need to:

*'...look at values and behaviours, not just what gets done but how we do it. But we put slightly more of a weighting on objectives than values and behaviours.'*

Our interviewees think that by getting greater clarity of role and objectives through performance management, there is an opportunity to enable people to get a better understanding of what really good performance looks like and then help them understand what actions they need to take to achieve this. Tony Voller from IHG told us:

*'Performance management ought to be about aligning people's efforts to deliver what the company needs...making sure people are clear about how they deliver the objectives of their job. It should also help people perform of their best by helping them understand what great performance looks like and how far they are from it...a process which encourages people to go and be successful!'*

The key role of performance management in communicating the business priorities is also, for some, a guiding influence on the mechanisms of performance management. John McCann from the National Audit Office feels that performance management is:

*'Fundamentally a mechanism for delivering the priorities of the business. Related issues such as personal development, career management, etc, are important but essentially it's about ensuring you can see clear alignment between the business plan at the most senior level of the business and the individual objectives of those at the most junior level. The staff appraisal process provides the mechanism for delivering the business plan at all levels.'*

Lynn Smith from Alliance Trust PLC summed up the purpose of performance management as follows:

*'It is a mixture of ensuring people are clear about how they can help the business to achieve its goals and*

*objectives as well as the individual being clear about what they want in terms of career and personal development.'*

#### **Engagement**

Performance management is seen by many of the interviewees as a key vehicle for building engagement. This is particularly evident in the emphasis put on performance management as enabling a more positive relationship between individuals and their managers. Generally it is felt that if people have clarity around their role and understand how this contributes to organisational objectives, they are more likely to be committed to what they are doing. So, for example, Vicky Bourne of Sanofi-Aventis commented:

*'The overarching goal of performance management is around employee engagement. People who believe they understand how their role fits in and have a clear understanding of what they need to do drives a higher level of employee engagement. ...this comes from people having clarity around what they are doing and confidence in leadership.'*

Neil Walford from the Institute of Cancer Research commented:

*'On a personal level, it's to give clarity. It's about knowing what we want from this person and how are they doing it. ... motivation of the individual should be at the heart of it.'*

This issue of performance management as a primary tool for building engagement is thought by some of the practitioners interviewed to be the reason why individuals benefit the most from the process. For example, Caroline Bottrell of Brighton and Hove Council said:

*'I think it's about job satisfaction and motivation and being clear about what is expected of you when you are at work and being given the support to improve so that you are constantly developing and learning more and therefore generating and doing better work for the organisation.'*

Gillian Box of Britvic also argued that performance management is firmly focused on the individual. She said:

*'It's about individual performance but it's about how you go about developing it. There are lots of elements that make people more likely to succeed. We have been focusing on these elements but have not forgotten that ultimately it's about delivering results. Making sure that people are delivering what we expect.'*

### Line manager capability

Much work on performance management has discussed the role of the line manager in delivering the process. Our respondents have mixed views on the issue of line managers. All believe performance management is potentially a valuable tool for line managers, enabling them to deliver

their work objectives and achieve positive outcomes. However, no one believes that simply enacting a performance management process will make line managers good at managing people. Good line managers tend to be good at performance management whatever the process.

Caroline Bottrell from Hove and Brighton Council believes that if performance management did not take place there would be:

*'...a lack of communication, lack of clarity, lack of motivation amongst the staff. Those meetings provide managers with the opportunity to give performance feedback, developmental feedback and have two-way conversations. To have transparent relationships with people...'*

### Evaluation

All of the respondents were keen to evaluate performance management and demonstrate that it has an impact. Most think effective evaluation can only really occur when there is a clear line of sight between individual effort and contribution and business objectives.

One method of evaluation used by more than one interviewee is around the use of business scorecards. So, for example, Gillian Box at Britvic said:

*'We have a corporate scorecard which gets cascaded down to functional and*

*team scorecards which we use to agree individual's SMART objectives. By aligning these we ensure we have no gaps and that really drives our strategic direction.'*

Others use key performance indicators (KPIs) as a way of evaluating. Again clarity and line of sight between business, team and individual objectives are important if effective tracking against KPIs is to be seen as a credible measure of the impact of performance management. However, the clear message from the interviewees is that evaluation will only be possible if clear and robust objectives for performance management are in place against which evaluation can take place. The other issue mentioned by interviewees is the need for reliable and robust management information. Lynn Smith from Alliance Trust PLC sees this as one of the key elements of effective performance management evaluation. By providing information that can be cascaded both up and down the organisation, they are ensuring that relevant issues get flagged up to the executive committee and can immediately be used to reassess goals and objectives. Effective performance management also gives a much clearer sense of where value is being added throughout the organisation.

A further measure commonly used for evaluation is engagement. Because many organisations taking part in this work have identified performance management as a clear driver of employee engagement,

some took the logical step of correlating engagement scores against satisfaction with both the process and implementation of the performance management process. This, they argue, gives them a clear indication of the impact performance management is having on engagement and, based on the argument that engaged employees perform better, performance.

Some feel using engagement as part of the evaluation process could also be helpful in enabling them to spot managers who are perhaps not implementing performance management as successfully as they might.

There is a real sense of the difficulties of evaluating the impact of performance management in isolation from other factors that might also be influencing the performance of both individuals and the business. Some interviewees felt that lots of things were being measured but not necessarily informing performance management outcomes.

There is no clear consensus on how these might be overcome, but most believe that performance management does make an impact and feel it is up to practitioners to argue the case based on the evidence available.

### Impact on other processes

For all of the practitioners involved in this work there is a clear relationship between performance management and talent management. Gillian Box from Britvic

argued that everything has to flow from performance management. Not only can this enable effective management of expectations – a poor performer cannot expect a career move until the performance issue has been dealt with – but would also spot potential, which then feeds into a talent management process. Julie Hill from HBOS/LBG Halifax described the relationship as follows:

*'Performance management measures the individual's contribution and performance towards business objectives in their current role. Talent looks at potential and who is showing the capability to take on more and has the desire to do so. We need these two things to be reviewed regularly to establish where the business is heading in the short and longer term and its capability to deliver in the future.'*

The view of performance management and talent management being linked but separate is echoed by the majority of interviewees. The general consensus can be summarised as a belief in performance management as the vehicle to spot potential and talent management as the vehicle to develop and manage it. However, the interviewees agree that there might be a tendency to confuse potential with performance. The two need to be separate and the design of both processes needs to recognise that people may perform very well in a current role without necessarily possessing the potential to develop into another role.

Most of the interviewees also believe there should be a strong link between performance management and pay. While recognising the difficulties, the generally held view is that pay can only be perceived as fair and consistent if people genuinely feel that the better performers receive the better rewards. So, for example, Vicky Bourne from Sanofi-Aventis commented:

*'I think people are more comfortable with pay increases and bonuses if they can see a direct link to performance, than if they feel they are group linked and rewards depend on other people. Generally we hear more requests for direct links between performance and pay. However we are a commercial organisation and this might be different in other sectors.'*

#### **Impact on the bottom line**

The survey indicates a significant level of scepticism as to whether performance management does have a direct impact on organisational performance. Our interviewees generally conclude that unless performance management is capable of making a difference, there is little point in implementing it. However, they identified a range of barriers that might prevent the process from having the desired impact on the bottom line.

The major problem is around identifying impact that could be attributed to performance management rather than environmental or other factors. John

McCann from the National Audit Office illustrated this by commenting that although performance in his organisation is relatively strong at the current time, there are a number of external factors which might contribute to this. Competition for the best graduates is less intense, good performers are not being lured away by big City salaries and generally the public sector is seen as a safer bet for talented individuals. He argued that there are a whole series of factors that need to be considered when assessing the impact of performance management, the most important being that the issue is taken seriously at board level. He thought:

*'...We need involvement from the senior team in organisation-wide performance management to have any chance of having an impact...they need to discuss why business streams aren't delivering and then address issues directly.'*

Other interviewees think that the perception of impact on the bottom line would be influenced by both the definition and positioning of performance management. Angela Williams from Land Securities told us:

*'It depends how you define performance management. If it's seen as a process, then it can be a problem. If you see it as the way you do business and get performance from people then you can measure it and hence describe the impact.'*

Gillian Box at Britvic thinks the secret is about focusing on behaviour and then creating a vision where a positive view could be presented about how individuals make a difference. So she said it's important to:

*'...make it public how people are doing... so it's (performance management) starting to be about how we do business rather than a focus on targets without understanding the way we do things adds to organisational value.'*

Others think the secret to demonstrating the impact performance management has on organisational performance is around developing the understanding at an individual level and then feeding this up. So Julie Hill from HBOS/LBG Halifax summed this up as follows:

*'Colleagues need to understand what the organisation is trying to achieve, what its business targets are and what their part is in ensuring their delivery. They can then relate to what they are being asked to do and how everyone's objectives link together to create the overall plan. It is not always easy for performance management to be successful but without this understanding it gets even harder.'*

However, there is a strong feeling among interviewees that the impact of performance management would be influenced by the metrics used to

measure it and the level at which data is collected. Although performance management can have a strong motivational effect for individuals and increase their productivity, sustaining this and translating it into organisational performance will be largely down to the line manager. The interviewees agree that good line managers will raise performance regardless of the performance management process. People respond to genuine praise and up their game; the secret is sustaining this throughout the year and ensuring we can demonstrate the impact of individual performance through clear links into business priorities.

### The future

All of the interviewees agree that performance management is here to stay and is generally an effective tool. They all see it evolving over the years rather than radically changing. Most think it will evolve to consolidate its position as a means of communicating organisational objectives and providing a clear line of sight between individual effort and behaviour and organisational goals. They also think that performance management will become more integrated with other processes, such as talent management, career management, development and pay decision-making.

Others see it as a planning vehicle helping them to build the behaviours and competencies they will need for the future. Caroline Bottrell from Hove and Brighton Council commented:

*'We are looking at what we have to achieve over the next two, five, ten years and therefore what kind of leaders and what kind of behaviours do we need to see demonstrated within the organisation and we're using this knowledge to build a competency framework. We will then performance-manage against this framework in the future as well as using it to identify our talent.'*

Generally most interviewees are looking for ways to streamline the process, with several mentioning the difficulties of getting the processes online, either as part of an HRIS system or onto an intranet. Others commented that they would be striving to get more transparency into the process and develop harder measures to demonstrate the impact on both individual and organisational performance.

The survey respondents and interviewees who contributed to this study confirm that performance management is an enduring tool that has a pivotal role to play in the management of people. The key processes have remained largely stable over the years, although there is an ongoing trend towards less bureaucracy and a more streamlined, online tool.

There is strong agreement that its purpose is largely defined by its role in aligning individual effort and objectives with business outcomes and providing a clear line of sight of priorities throughout the organisation. It is also a powerful tool for communication, particularly to regularise the communication between managers and employees. The line manager role is crucial in the delivery of performance management and it is clear that successful performance management requires the buy-in of

leaders at all levels, both to ensure successful implementation and to ensure effective management of the information it generates.

There is also a clear drive towards better evaluation and understanding of the impact of performance management on both individual and organisational performance and strong integration with other strategies to manage talent, pay, engagement and careers. The work demonstrates that performance management does impact on performance at all levels but that there are issues around generating the evidence and understanding the linkages between the process of performance management and performance outcomes. This is being addressed through clearer definition of purpose, closer alignment of objectives throughout the organisation and creating better clarity around roles, purpose and KPIs.

## REFERENCES

- ARMSTRONG, M. and BARON, A. (1997) *The realities of performance management*. London: Chartered Institute of Personnel and Development.
- ARMSTRONG, M. and BARON, A. (1998) *Performance management: the new realities*. London: Chartered Institute of Personnel and Development.
- ARMSTRONG, M. and BARON, A. (2005) *Managing performance: performance management in action*. London: Chartered Institute of Personnel and Development.
- BEVAN, S. and THOMPSON, M. (1991) Performance management at the crossroads. *Personnel Management*. November. pp36–39.
- PURCELL, J., KINNIE, N., HUTCHINSON, S., RAYTON, B. and SWART, J. (2003) *Understanding the people and performance link: unlocking the black box*. London: Chartered Institute of Personnel and Development.

## FURTHER READING

- CHEVALIER, R. (2007) *A manager's guide to improving workplace performance*. New York: Amacom.
- CIPD. (2005) *Performance management [online]*. Survey report. London: Chartered Institute of Personnel and Development. Available at: [http://www.cipd.co.uk/subjects/perfmangmt/general/\\_perfmangmt.htm](http://www.cipd.co.uk/subjects/perfmangmt/general/_perfmangmt.htm) [Accessed 22 October 2009].
- CIPD. (2009) *Performance management: an overview [online]*. Factsheet. London: Chartered Institute of Personnel and Development. Available at: <http://www.cipd.co.uk/subjects/perfmangmt/general/perfman.htm> [Accessed 22 October 2009].
- GILLEN, T. (2007) *Performance management and appraisal*. CIPD Toolkit. 2nd ed. London: Chartered Institute of Personnel and Development. For further information please visit <http://www.cipd.co.uk/Bookstore/>
- GILLEN, T. (2008) *Performance management: appraisals, objectives and career development*. DVD. London: Chartered Institute of Personnel and Development. For further information please visit <http://www.cipd.co.uk/Bookstore/>
- KOCHANSKI, J. (2008) Four key steps to performance management. *Workspan*. Vol 51, No 2, February. pp32–36.
- MCGEE, R. (2008) *Managing performance problems*. CIPD Toolkit. London: Chartered Institute of Personnel and Development. For further information please visit <http://www.cipd.co.uk/Bookstore/>
- ROBERTSON, J. (2009) *Performance management*. HR Study, No 886. London: Incomes Data Services.
- SHIELDS, J. (2007) *Managing employee performance and reward: concepts, practices, strategies*. Melbourne, Australia: Cambridge University Press.
- THORPE, R. (2008) *Performance management: multidisciplinary perspectives*. Basingstoke: Palgrave Macmillan.



Chartered Institute of Personnel and Development  
151 The Broadway London SW19 1JQ  
Tel: 020 8612 6200 Fax: 020 8612 6201  
Email: [cipd@cipd.co.uk](mailto:cipd@cipd.co.uk) Website: [www.cipd.co.uk](http://www.cipd.co.uk)

Incorporated by Royal Charter Registered charity no.1079797