

CONTENTS

Preface xi

Introduction 1

PART ONE The basis of performance management 5

01 The concept of performance management 7

Performance management defined 7

The conceptual framework 8

Aims of performance management 19

Principles of performance management 22

Examples of approaches to performance management 24

Arguments for formal performance management systems 25

Requirements for success 26

References 27

02 Performance management systems 30

Performance and development planning 30

Monitoring performance 31

Reviewing performance 33

Performance management models 33

The reality of performance management systems 34

References 42

03 The impact of performance management 43

How performance management is expected to improve
organizational performance 43

Establishing the impact on organizational performance 44

Evidence of the impact on organizational performance 45

Impact on individual performance 47

Conclusions on impact 49

References 50

PART TWO Performance management practice – the ideal and the reality 53

- 04 Performance and development agreements 55**
Performance and development planning – the traditional approach 55
Defining roles 56
Setting objectives 59
Development planning 63
References 65
- 05 The balanced scorecard 67**
References 69
- 06 Performance reviews 70**
Purposes 70
Method 71
How the ideal review should be conducted 71
Problems with the traditional annual performance review 75
Strength-based reviews 77
What can be done about performance reviews? 77
References 78
- 07 Analysing and assessing performance 79**
Performance analysis 79
Performance assessment 81
Conclusions 104
References 106
- 08 Managing underperformance 109**
The problem of underperformance 109
Approaches to managing underperformance 110
The five basic steps 111
Handling challenging conversations about performance 113
Use of a capability procedure 114
References 116

- 09 Providing feedback 117**
Feedback defined 117
The nature of feedback 118
Use of feedback 119
How effective is feedback? 120
Guidelines on providing feedback 120
Continuous feedback 121
Providing constructive feedback 122
An alternative approach – the ‘feedforward’ interview 123
360-degree feedback 124
References 131
- 10 Coaching 133**
Coaching defined 133
The process of coaching 134
Approach to coaching 134
Techniques of coaching 135
Coaching skills 135
Developing a coaching culture 136
References 137

PART THREE Applications of performance management 139

- 11 Managing organizational performance 141**
The process of managing organizational performance 141
The strategic approach to managing organizational performance 143
Business performance management systems 147
Organizational capability 149
Performance management and human capital management 150
Developing a high-performance culture 151
Measuring performance 153
References 161

- 12 Managing team performance 163**
Teams and performance 163
Team competencies 164
Performance measures for teams 165
Team performance management processes 166
Reviewing the performance of individual team members 168
References 169
- 13 Performance management and employee engagement 170**
What is employee engagement? 171
Why is engagement important? 171
What are the enablers of engagement? 172
What part is played by performance management? 172
How can an organization ensure that performance management plays its part? 176
References 177
- 14 Performance management and reward 179**
Performance management and non-financial rewards 179
Performance management and performance pay 180
References 184
- 15 International performance management 185**
Performance management in the subsidiaries of multinationals 185
Performance management for expatriates 191
References 193
- PART FOUR Performance management – reality and reinvention 195**
-
- 16 What's wrong with performance management and how it is being put right 197**
How well is performance management working? 198
Why does performance management fail? 202
Putting performance management right 211
References 218

17 Reinventing performance management 221

Areas for reinvention 222

The reinvention programme 222

A radical way ahead 229

References 231

Appendix: IBM case study 233

Author index 251

Subject index 254