

# INDEX

(*italics* indicate a figure or table in the text)

- 360-degree feedback 106, 128, 137–39, 150  
 as performance data 151  
 implementing 138–39
- ability, motivation and opportunity (AMO) model 23–24
- absence management 167–72  
 absence policy 168  
 approaches to managing absence 171–72  
 costs of absence 167  
 identifying the reasons for absence 27, 170–71  
 incentivizing approach 172  
 measurement and monitoring 168–70  
 preventative approach 172  
 punitive approach 171–72  
 types of absence 171
- accountability profiles 121
- action stage of performance management 71–72, 73
- activities of performance management 6–7
- Advisory, Conciliation and Arbitration Service (ACAS) 169–70
- affiliative leadership style 98, 99
- appraisal 6–7  
 managing expectations 19  
*see also* performance review
- Armstrong, M 2, 4, 10, 127, 143, 148
- Armstrong World Industries Inc 8
- audit, evaluating performance management 184
- authentic leadership 33
- authoritative leadership style 98, 99
- autocratic management style 65
- BAE systems 14
- balanced scorecard 187
- behavioural measures 149
- behavioural observation scales 155
- behaviourally-anchored rating scales (BARS) 154–55
- beliefs, and organizational culture 64
- benchmarking 183–84
- 'Best Companies to Work For' list (*Sunday Times*) 31
- best-fit approach to strategic HRM 49–53, 63
- best-practice approach to strategic HRM 48, 52
- best practice in performance management 75–80  
 clear purpose 75–76  
 consensus and empowerment 77  
 continuous nature of performance management 78  
 corporate goals translated into individual goals 76–77  
 effectively resourced 77–78  
 evolutionary nature 78  
 forward-looking and developmental 78  
 horizontal alignment 77  
 line managers' ownership of the process 76  
 ongoing monitoring and evaluation 78  
 should apply to all staff 76  
 supportive culture 77  
 visible commitment of senior managers 76
- Blanchard, Ken 8, 140
- Bradford Index 169, 170
- bullying claims 35
- bundling (configuration approach to strategic HRM) 52
- business ethics 32–33
- business life cycle model 49–50
- business rationale for performance management 104–05
- business results as performance data 150
- Cadbury 137
- change  
 and the psychological contract 29–30  
 barriers to 21–23  
 employee responses to 21–23  
 identifying change agents 99  
 identifying opportunities for 23  
 management and creation 21–23
- charismatic leadership 65

- Chartered Institute of Personnel and Development (CIPD) 6  
 Absence Management Survey (2012) 167  
 Performance Management Survey (2009) 178, 187  
 Profession Map 130
- Civil Service (UK)  
 competency framework 133–34  
 performance rating scheme 158–59
- coaching 143  
 coaching leadership style 98, 99  
 coercive leadership style 98, 99
- communication  
 and the psychological contract 28–30  
 during performance management implementation 111
- competencies 125–34  
 performance matrix 127–28
- competency frameworks  
 case study 133–34  
 criticisms of 131–32  
 development 129–31  
 key action steps to support 132
- competitive advantage 3  
 models 49, 51–53  
 resource-based view 53
- configuration approach to strategic HRM 52
- conflict handling strategies 87–88  
 conflict resolution skills 87–88  
 constructive feedback 136
- consultants 96–97
- contemporary measures of performance 149–50
- context of the performance management process 100–03
- contingency approach to strategic HRM 49–53
- continuous feedback 135
- continuous nature of performance management 78
- contrast error 153
- controlling management style 65
- core values 132–33
- corporate goals translated into individual goals 76–77
- corporate scandals 32
- corporate social responsibility (CSR) initiatives 150
- cost-reduction strategy, HR activities 51
- Crane, Helen 133–34
- critical incident techniques 131
- critical incidents as performance data 151
- critical path analysis 109
- criticisms of performance management 39
- cultural differences between organizations 63–64
- culture of organizations, and performance management approach 64–65
- Cummins, Ann 127
- data-gathering techniques 131
- data protection legislation 35
- democratic leadership style 98, 99
- development 141–42  
 coaching and mentoring 143  
 personal development plans (PDPs) 142, 144  
*see also* learning and development (L&D)
- developmental approach to performance management 78
- developmental objectives 124–25
- Disability Discrimination Act (1995) 171
- disciplinary action 34
- discrimination claims 35
- distributive justice concept 26
- economic transaction view of working relationships 3
- effective performance, influential factors 78–80
- effective performance management, criteria for 7–8
- effectiveness evaluation 179–81
- efficiency evaluation 179–81
- Eli Lilly & Co Ltd 8
- emotional intelligence 88
- empathy in the manager–employee relationship 88
- employee engagement survey 58
- employees  
 autonomy and responsibility 31  
 consensus and empowerment 77  
 employer's duty of care 161  
 influence of the employer brand 30–31  
 performance management should apply to all staff 76  
 personal development plans (PDPs) 142, 144  
 personal growth opportunities 31  
 reasons for resignation 18, 27  
 relationship with managers 17–18  
 responses to change 21–23  
 rights under data protection legislation 35  
 role in performance delivery 10  
 role of performance management 8  
 supportive environment for 31  
 talent management 31–32  
 value added by 17–18, 21

- employer brand
  - attracting talented employees 30–31
  - enhancement 150
  - maintaining a positive brand 61
- employment law 33–36
- employment relationship 26
  - and the employer brand 30–31
  - equity in 33
  - fairness in 33
  - importance of trust 29
  - the psychological contract 28–30
- enabling management style 65
- Enron 32
- equal pay claims 35
- equity in the employment relationship 33
- equity theory of motivation 26–27, 28
- ethical approach to managing people 32–33
- ethical issues, support from performance management systems 33–36
- ethical performance, measurement of 150
- Eves, Martin 17–19
- evolutionary nature 78
- excellence-orientated approach 13, 74
- expectancy theory of motivation 25–26, 60, 123
- expectations, and the psychological contract 29–30
- experiential learning model (Kolb) 74, 143
- external environment
  - PESTLE technique 46–47
  - SWOT analysis 46–47
- fairness
  - evaluation of 179–81
  - in the employment relationship 33
  - of procedures and outcomes 27
- feedback 134–41
  - 360-degree feedback 137–39
  - and the Johari Window 139–40
  - constructive feedback 136
  - continuous feedback 135
  - effective feedback 141
  - positive feedback 140
  - praise 140
  - top tips for giving 141
  - two-way feedback 135
- feedback skills 86
- financial incentives, effects on performance 80
- financial reward
  - and motivation 60–61
  - and the performance review 6–7
  - see also* reward
- flexible firm concept 63
- focus groups 131, 186
- forced ranking systems of rating 157–59
- Forcefield Analysis (Lewin) 114
- forward-looking approach to performance management 78
- Gantt chart 109, 110
- General Electric (GE) 157
- general performance-rating scales 154, 155
- global financial crisis (2008) 32
- globalization 32
- goal-based method of evaluation 183
- goal-setting, role in enhancing performance 79–80
- goal-setting theory of motivation 24–25
- goal theory (Locke) 124
- goals
  - of performance management 7–8
  - clarity of aims and measurement criteria 75–76
- Goleman, Daniel 88
  - leadership styles 97–98
- good practice in performance review 81–85
- grievances 27
- group norms concept 4
- halo or horns effect 153
- Handy, Charles 63
- harassment claims 35
- Harrison, Rosemary 105
- Hawthorne Experiments 4
- high-performance (high-commitment) work practices 36–39
- historical context for performance management 3–6
- horizontal alignment of performance management 77
- human capital development 11
- human capital reporting 188–89
- Human Relations school of management 3–4
- human resource information systems (HRIS) 107–08
- human resource management (HRM) roles 11–12
- human resources (HR) activities
  - alignment with the organizational strategy 48–53
  - and the employer brand 30–31
  - employee advocacy 11
  - focus on cost reduction 51
  - focus on innovation 51
  - focus on quality 51
  - human capital development 11
  - human capital reporting 188–89



- knowledge and expertise in performance management 11
  - leadership of the performance management process 96
  - role as strategic partner 11
  - role in performance management 10–12
  - role-modelling of good practice 12
- Humanus Consultancy 127
- ICI Paints 8
- individual goals, alignment with corporate goals 76–77
- individual performance objectives 2–3
- induction, performance management issues 55–57
- information technology (IT) support 107–08
- innovation strategy, HR activities 51
- Institute of Personnel Management (IPM) 5
- integrated approach to performance management 53–62
- interactional justice concept 27
- InterContinental Hotels Group (IHG) 36–39
- international boundaries, challenges of working across 63–64
- interpersonal skills
  - conflict handling strategies 87–88
  - conflict resolution skills 87–88
  - emotional intelligence 88
  - empathy 8
  - feedback skills 86
  - for effective performance review 85–88
  - listening and observation skills 86
  - questioning skills 85
  - relationship management 88
  - self-awareness 88
  - self-management 88
  - social-awareness 88
- interviews
  - data gathering technique 131
  - evaluating performance management 186
- Investors in People standard 74, 186–87
- job analysis 53–54, 117–18
- job description 118–21
- Jobcentre Plus 189
- Johari Window 139–40
- Johnson, Christopher 159
- justice
  - distributive justice 26
  - interactional justice 27
  - natural justice 33
  - procedural justice 27
- key influencers in the organization 99
- Kolb's experiential learning model 74, 143
- language, descriptors used in rating scales 153–54
- leadership, of the performance management process 96–99
- leadership styles 33, 65, 97–99
  - affiliative leadership 98, 99
  - authoritative leadership 98, 99
  - coaching leadership 98, 99
  - coercive leadership 98, 99
  - democratic leadership 98, 99
  - pacesetter leadership 98, 99
  - participative leadership 97
  - transactional leadership 13, 65
  - transformational leadership 13, 65, 97
- learning and development (L&D) and performance management 61–62
- investment 51
- performance data from interventions 151
  - see also* development
- Leary-Joyce, Judith 31
- legal issues, employment law 33–36
- legal requirements, support from performance management systems 33–36
- Lewin's Forcefield Analysis 114
- life cycle models 49–50
- line managers
  - employee assessments of 31
  - ownership of the performance management process 76
  - people management role 9–10
  - role in performance management 6, 9–10, 73
    - see also* managers
  - listening skills 86
- Locke's goal theory 124
- long-hours culture 175
- management approaches 3–6
- management by objectives (MBO) 3, 4–5
- management style of the organization 100
  - and performance management approach 65
- managers
  - relationship with employees 17–18
  - training to use rating systems 156
    - see also* line managers; senior management
  - managing expectations 19
- McKinsey & Company 32
- measurement and monitoring, of absences 168–70

- measurement in performance management
  - 147–60
  - behavioural measures 149
  - contemporary measures 149–50
  - data 148–51
  - deciding what to measure 147–48
  - ethical performance 150
  - obtaining data 150–51
  - organization citizenship behaviour (OCB) 149
  - participation in CSR initiatives 150
  - productivity measures 148–49
  - quality measures 149
  - sources of performance data 150–51
  - types of measures 148–50
  - use of ratings 151–60
- mentoring 143
- mission statement 2, 44
- money as a motivator *see* financial reward; reward
- monitoring and evaluating performance
  - management 177–89
  - areas of evaluation 182
  - audit 184
  - balanced score card 187
  - benchmarking 183–84
  - calibration of rating systems 157
  - effectiveness evaluation 179–81
  - efficiency evaluation 179–81
  - fairness evaluation 179–81
  - focus groups 186
  - goal-based method 183
  - human capital reporting 188–89
  - implementation process evaluation 115
  - interviews 186
  - methods of evaluation 183–89
  - reasons for undertaking 178
  - surveys 184–85
  - what to evaluate 179–82
- monitoring stage of performance management 71–72, 73
- motivation
  - ability, motivation and opportunity (AMO) model 23–24
  - and fairness of procedures and outcomes 27
  - and objectives 123–24
  - and performance 3–4
  - driven by economic transactions 3
  - employee consensus and empowerment 77
  - financial reward 60–61
  - impact of underperforming employees 162–63
  - non-financial rewards 58–59
  - view of scientific management school 3
- motivation theories 24–27
  - equity theory 26–27, 28
  - expectancy theory 25–26, 60, 123
  - goal-setting theory 24–25
- natural justice concept 33
- Nokia 17
- objective-based rating scales 154, 156
- objective setting 122–25
  - alignment with organizational goals 123
  - developmental objectives 124–25
  - relevance of objectives 123
- observation, technique to obtain
  - performance data 150–51
- observation skills 86
- organization citizenship behaviour (OCB) 149
- organization mission or vision statement 44
- organization performance, and effective performance management 36–39
- organizational context
  - and performance management approach 18, 62–65
  - best-fit approach to performance management 63
  - culture (local) 100
  - culture of the organization 64–65
  - flexible firm concept 63
  - history of performance management 101–03
  - management style 65, 100
  - PESTLE technique 46–47
  - relationship to rewards 18
  - SWOT analysis 46–47
  - type and structure of organization 62–65, 101
  - working across international boundaries 63–64
- organizational goals
  - alignment of individual performance with 2–3
  - and performance planning 72
  - importance of a shared purpose 18
  - objective-setting aligned to 123
- outcomes of performance management 7–8
- pacesetter leadership style 98, 99
- participation in performance management 9–12
- participative leadership style 97



- Penman, David 159
- people management 2, 58  
 role of line managers 9–10
- performance, meanings of 3
- performance agreement 54, 117–22  
 accountability profiles 121  
 content 121–22  
 job analysis 117–18  
 job description 118–21  
 person specification 118–21
- performance delivery 21–23  
 key areas 17–18  
 managing and creating change 21–23
- performance enhancement, influential factors 79–80
- performance management  
 across international boundaries 63–64  
 alignment with organizational goals 2  
 alignment with the overall strategy 70  
 approaches 13–14  
 criticisms of 39  
 definitions 2–3, 5  
 in challenging economic conditions 1  
 integration within the overall strategy 70  
 key benefits 40–1  
 legal and ethical framework 33–36  
 ongoing monitoring and evaluation 78  
 organizational context 62–65  
 perspectives of different stakeholders who is involved 9–12
- performance management cycle 71–75  
 action stage 71–72, 73  
 criticisms of 74–75  
 monitoring stage 71–72, 73  
 planning stage 71–72  
 review stage 71–72, 73
- performance management development  
 360-degree feedback 106  
 appropriate leadership style 97–99  
 business rationale 104–05  
 content and documentation 106–07  
 data collection requirements 106–08  
 design stage 95, 105–08  
 identification of objectives 104–05  
 identifying change agents 99  
 information technology (IT) support 107–08  
 key influencers in the organization 99  
 key stages and activities 95  
 leadership of the process 96–99  
 leadership qualities required 97  
 organizational context 100–03  
 planning and analysis stage 95, 100–05  
 process 105–06  
 roles and responsibilities 105–06  
 stakeholder involvement and commitment 95, 97  
 technology to support the process 107–08  
 timings for activities 106  
 working with stakeholders 103–04
- performance management  
 implementation 95, 109–13  
 barriers to success 113–14  
 communication 111  
 critical path analysis 109  
 Gantt chart 109, 110  
 milestones and control 109–10  
 monitoring and evaluation 115  
 piloting 110  
 project management 109–10  
 training users 111–13
- performance management integrated  
 approach 53–62  
 induction and socialization 55–57  
 integration of HR activities 53  
 learning and development (L&D) 61–62  
 positive employer brand 61  
 recruitment and selection 53–57  
 reward strategy 58–61
- performance matrix 127–28
- performance monitoring, early systems 4
- performance review 6–7, 80–91  
 action plan 83  
 case study 89–90  
 closing the performance review 84  
 content of the review 83–84  
 documentation 84  
 follow-up 84–85  
 future role 90–91  
 good practice in performance review 81–85  
 interpersonal skills required 85–88  
 location 82–83  
 planning 81–82  
 role in the performance management process 90–91  
 structure of the review 83–84  
 time allocation 82  
 underperformance 84–85, 89–90
- person specification 118–21
- personal development plans (PDPs) 142, 144
- personal growth, opportunities for 31
- PESTLE technique 46–47
- piloting 110
- Pink, Daniel 59
- planning stage of performance management 71–72
- points-based rating scales 154
- Porter, M E 51

- positive feedback 140
- praise, as positive feedback 140
- presenteeism 175
- principles of best practice *see* best practice
- problem-solving approach 5
- procedural justice concept 27
- productivity measures 148–49
- Profession Map (CIPD) 130
- project management 109–10
- psychological contract 28–30
  - during change 29–30
- purpose
  - clarity of aims and measurement criteria 75–76
  - shared purpose in an organization 18
- quality measures 149
- quality strategy, HR activities 51
- questioning skills 85
- ratings 151–60
  - and reward 159–60
  - arguments against the use of 152–53
  - arguments for the use of 151–52
  - calibration systems 156–59
  - central/middle marking problem 152, 157
  - contrast error 153
  - effectiveness of 156
  - fairness and equity of 156
  - forced ranking 157–59
  - halo or horns effect 153
  - language used in rating scales 153–54
  - monitoring and evaluation of the process 157
  - potential sources of bias 152–53
  - recency effect 153
  - stack-ranking 158
  - training for managers 156
  - types of rating scale 153–56
- realistic job preview (RJP) 29
- recency effect 153
- record-keeping aspect of performance management 34–35
- recruitment
  - influence of the employer brand 30–31
  - performance management issues 53–57
  - talent management 31–32
- reflective practice 142
- relationship management 88
- reporting, human capital reporting 188–89
- reputation, importance of 33
- resource-based view of competitive advantage 53
- resources, for effective performance management 77–78
- review stage of performance management 71–72, 73
- reward
  - and rating systems 159–60
  - financial reward 6–7, 60–61
  - non-financial rewards 58–59
  - relationship to effort and performance 25–27
  - relationship to organizational context 18
  - total reward 8, 58–59
- reward strategy, and performance management 58–61
- role-modelling
  - by senior management 76
  - of good practice 12
- Rousseau, D 28
- scientific school of management 3, 4
- selection process, performance management issues 53–57
- selection tools 54
- self-awareness 88
- self-management 88
- senior management
  - role-modelling by 76
  - commitment to performance management 9–10, 76
- shamrock organization (Handy) 63
- shared purpose in an organization 18
- SMART objectives 121, 122–24, 147
- social-awareness 88
- social loafing concept 162
- socialization of new recruits 56–57
- stack-ranking systems of rating 158
- stakeholders 9–12
  - different perspectives on performance management 12
  - involvement and commitment 97
  - involvement in performance management planning 103–04
- Standard Chartered Bank 8
- standards-orientated approach 13, 74
- State of HR Survey, 2013 1
- stick systems for assessment of factory workers 4
- strategic goals 44
  - alignment of performance activity 5–6
- strategic human resource management (HRM) 48–53
  - best-fit approach 49–53
  - best-practice approach 48, 52
  - bundling (configuration approach) 52

- configuration approach 52
- contingency approach 49–53
- resource-based view 53
- universalistic approach 48, 52
- use of business life cycle model 49–50
- use of competitive advantage models 49, 51–53
- strategic performance management 43–53
  - defining a strategic approach 43–45
  - external environment 46–47
  - organizational context 46–47
  - strategy formulation and strategic context 45
- strategic plan 44–45
- strengths-based approach 14
- structured interviews for data gathering 131
- 'sucker effect' 27, 162
- Sunday Times* 'Best Companies to Work For' list 31
- supportive culture 77
- surveys, evaluating performance management 184–85
- SWOT analysis 46–47
- talent management 31–32
- Taylor, F W 3, 4
- Taylor, S 13
- The One Minute Manager* (Blanchard, 2011) 8
- training, in performance management processes 111–13
- transactional leadership style 13, 65
- transformational leadership style 13, 65, 97
- transparency 77
  - in the employment relationship 33
- trust 77
  - and leadership 33
  - between employee and line manager 6
  - in working relationships 29
- two-way feedback 135
- Ulrich, David 177
- underperformance
  - dealing with 160–67
  - duty of care to employees 161
  - identifying 13
  - impact on others 161–63
  - meeting organization performance goals 160
  - performance review 84–85, 89–90
  - procedures relating to 34–36
  - social loafing concept 162
  - 'sucker effect' 27, 162
  - use of forced ranking to identify 157–59
  - why it is important to deal with 160–63
- underperformance management
  - 13, 163–67
  - identify a plan to address the shortfall 164–66
  - identifying the performance shortfall 163
  - identifying the reasons for the shortfall 163–64
  - monitor and review 166–67
  - resource strategies to improve performance 166
- unfair dismissal claims 34
- universalistic approach to strategic HRM 48, 52
- value, added by employees 17–18, 21
- values
  - and organizational culture 64
  - core values 132–33
- Vertu 17
- victimization claims 35
- vision statement 44
- Vroom, Victor 25, 60, 123
- Welch, Jack 157
- West Bromwich Building Society 8
- Wingrove, Clinton 79–80
- work–life balance 175
- workshops 131