Armstrong on Reinventing Performance Management

Building a culture of continuous improvement

Michael Armstrong
CONTENTS

Introduction 1

01 Performance management – the concept 5
   Performance management defined 5
   A short history of performance management 5
   Features of performance management 22
   Conclusions 27
   References 28

02 Performance management – the reality 31
   Performance management in the dock 31
   How well is performance management working?
      Lessons from research 33
   Why does performance management fail? 40
   Conclusions 45
   References 45

03 Effective performance management 49
   Guidelines on effective practice in performance management 49
   Conclusions 62
   References 63

04 What’s happening to performance management? 65
   Examples of changes to performance management systems 66
   Conclusions 73
   References 73
Contents

05 Performance management – the issues  75
  The issues  75
  The role of HR  85
  Conclusions  86
  References  87

06 Improve objective setting  89
  Introduction  89
  The conceptual background  89
  Criteria for an effective performance objective  91
  Setting performance objectives  92
  Objective-setting issues  98
  Developing objective-setting skills  102
  An alternative to objectives  102
  Conclusions  103
  References  103

07 Replace the annual performance review  105
  Introduction: performance reviews under attack  105
  The traditional approach to performance reviews  106
  How are organizations responding to the challenge and the problems?  110
  Reinventing the performance review  114
  Conclusions  116
  References  117

08 Abolish rating  119
  Introduction  119
  Rating 120
  Forced ranking  134
  Performance pay decisions without ranking  135
  Identifying potential  136
  Conclusions  138
  References  139
09  Enhance personal development  141
Introduction  141
Continuous development  141
Coaching  143
Conclusions  146
References  147

10  Provide training  149
Introduction  149
Formal learning  149
Methods  150
Workshops  151
Less formal learning  179
Conclusions  180
Reference  180

11  Reinventing performance management  181
Introduction  181
Areas for reinvention  182
Finally...  193
References  194

Appendix A
  Performance management case study: Gap Inc  195
Appendix B
  Performance management case study: Microsoft  211
Index  221