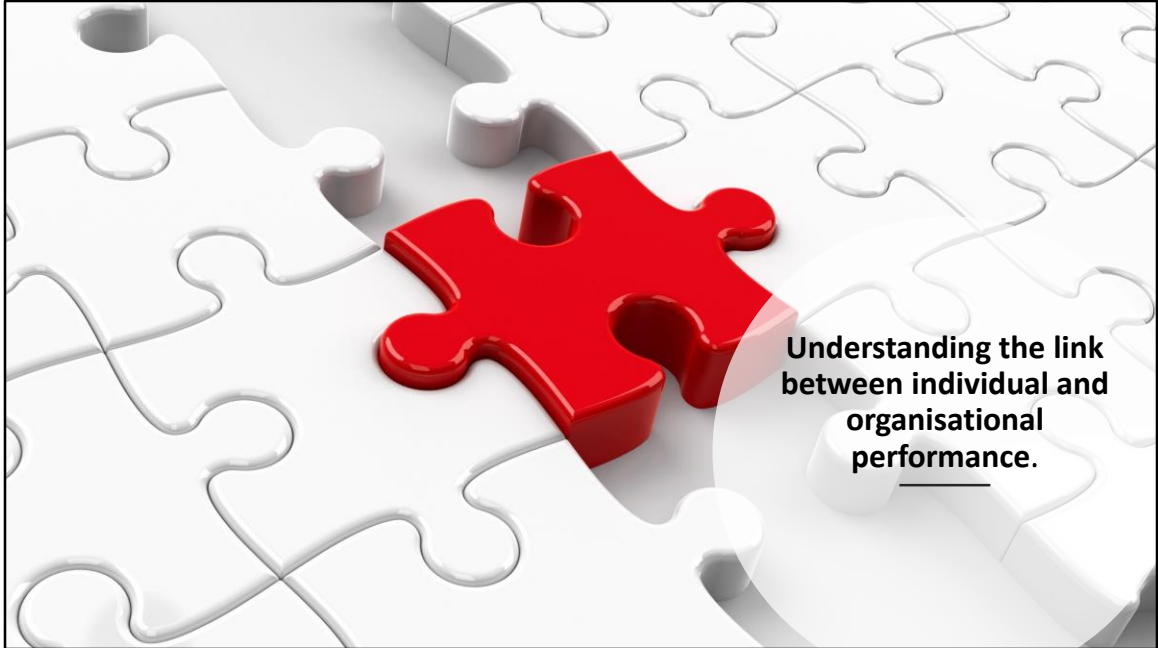
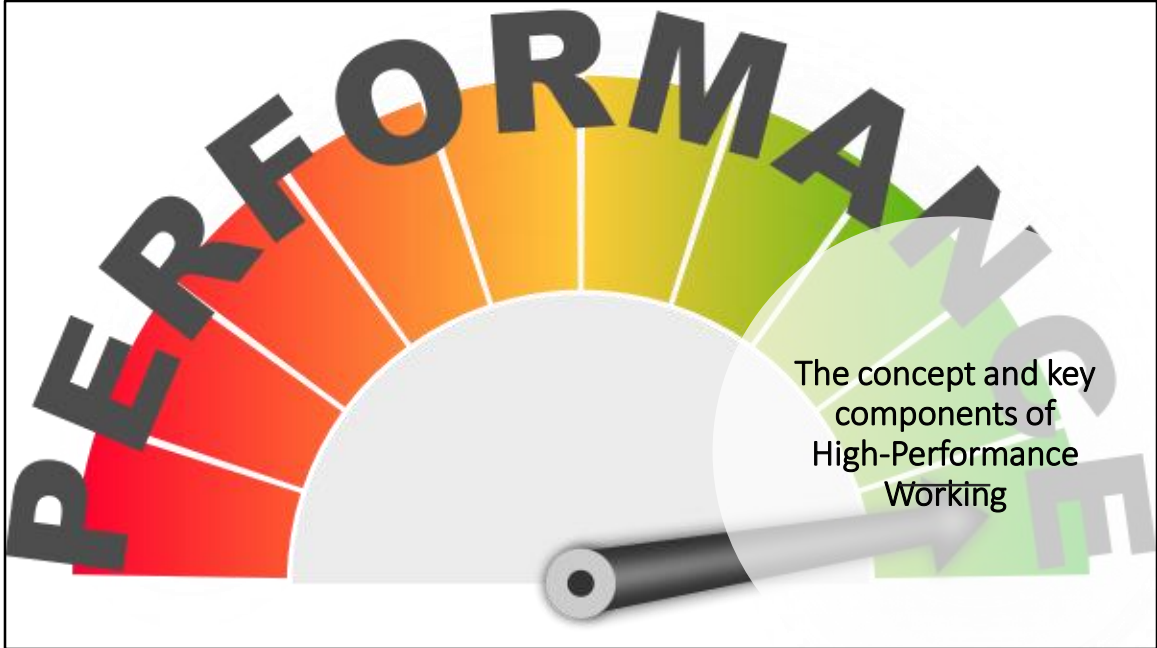


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- Signed: Lucy Moriarty
- Date: 27th September 2021



Performance management is defined by CIPD (2020) as activities that identifies areas of performance that employees need to improve on, in line with organisational objectives. It is not a single activity but a group of practices that needs to be approached as a whole. It contributes to organisational success by developing and implementing a performance-driven culture. It is important to ensure that individual goals align with organisational objectives, as it provides employees with an understanding of what is expected of them and their responsibilities, which in turn enables employees to be motivated to achieve their goals.



Employees are valuable to all organisations and it is prudent that they are managed effectively to achieve not only their individual abilities but to encourage and develop them to achieve organisational goals and objectives. High performance working is a combination of processes, work structures and HR practices to enhance and improve employee's knowledge and skills. High performance working begins with the effective recruitment and selection of suitable candidates with the required skills and experiences needed to build an efficient workforce. Also, by investing in training and development so that an employee's knowledge is kept up to date and new skills are developed to enable career progression.

Most importantly, as explained by Taylor (2016) an organisation needs to introduce and maintain a high-performance work culture to create trust, clarity and open communication. When guiding an organisation towards a new culture, it begins with a noticeable change in behaviour of the leaders, who will then need to encourage effort and commitment. An organisation with a high-performance working culture enables decision making. By permitting decisions to be made throughout the wider organisation and not by a top-down approach will provide employees with the autonomy over their areas of work and will ensure commitment and high levels of engagement. Participation in decision making will also determine organisational policies and procedures.

High Performance Work Systems



A bundle of HR practices – described as best practices



Enables employees to take more of an initiative

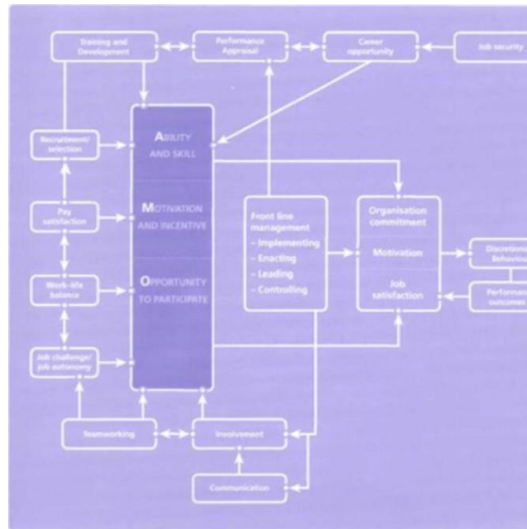


High Performance Working Systems are proven to enhance organisational performance

A high-performance working system is described by Taylor (2016) as a bundle of HRM practices which are formed to promote employee skills and involvement. It is a set of HR and management methods that are implemented to establish an environment in which employees have responsibility and are actively involved. These methods are described as “best practices” and are used to identify and attract suitable candidates, evaluate employee performance and most importantly to engage and retain through a “best practice” approach. There is no defined list of what should be included in the bundle but it should however, ensure that it promotes employee commitment and involvement. High performance working systems enables employees to take more initiative and responsibility by being involved in creating and carrying out new workplace processes, ensuring that they can perform within their role effectively. Research carried out by the UK Commission (2013) identifies that the use of high-performance working systems is linked to improving organisational performance and the practices are effective when used together

AMO MODEL

- Ability
- Motivation
- Opportunity



In recent years, research has been carried out to provide a better understanding of how high-performance working can lead to better business performance. It has been determined that high performance working systems aids employees to develop their skills and knowledge and provide them with autonomy over their work, which enables higher levels of performance throughout the organisation. Research carried out by Purcell et al. (2003) indicates that where there are positive attitudes towards HR policies and procedures which fundamentally provides the link between people performance and organisational success.

The AMO model initially devised by Bailey (1993) and later developed by Applebaum et al (2000) was introduced to enhance employee performance by three methods based on high performance work systems. The AMO model illustrates there are three separate work systems that help format the employee's characteristics to promote organisational success. According to AMO theory performance is determined by:

Ability –The ability of the employee to have the knowledge and skills to do their job. A well trained and skilled employee will perform better.

Motivation – Employees need to be motivated to carry out their role effectively. Motivation is encouraged by performance-related pay, career development, feedback etc.

Opportunity – Providing opportunities to employees to perform which would

includes tools, materials, processes, providing development etc.

It has been identified that all three elements of the model must be present to ensure organisational success and must be used at high levels.

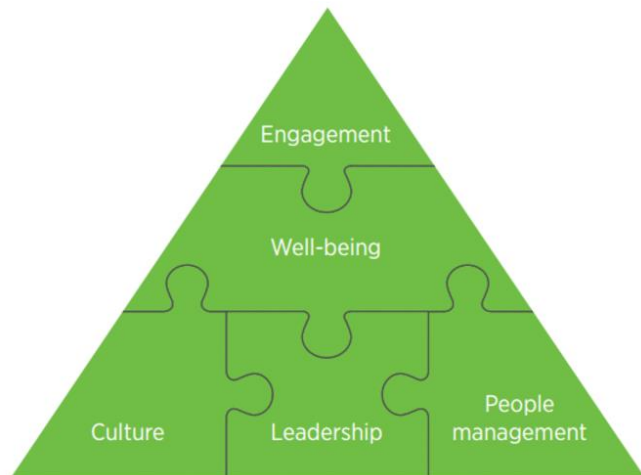
Achieving competitive advantage and sustainable organisational performance through:

- Values based culture
- Setting clear goals
- Making employees accountable



In order for an organisation to maintain a competitive advantage, it needs to implement the right environment for its employees to be able to contribute towards sustainable organisational performance. It is imperative for employees to be supported to contribute towards decision making to encourage higher performance. It is also important to enable employees to provide their own ideas and set their own goals to ensure a greater understanding of the organisation and to provide responsibility and ownership, to encourage commitment. By increasing efficiency and developing effectiveness minimises employee turnover and absence rates. Having highly committed employees within an organisation ensures that the business has competitive advantage, systems and processes can be replicated, however, quality and dedication cannot. As mentioned by Belt and Giles (2009) the fundamental part of any organisation is the employees within it and making sure that they are supported in the best way possible to increase productivity is the best way to obtain competitive advantage and organisational performance.

High Performance Working
and Employee Well-being.



CIPD Wellbeing at Work pyramid model (2021)

As shown in the CIPD Wellbeing at Work pyramid model (2021) wellbeing should be at the core of every organisations activities and employers need to ensure that culture, leadership and people management are the foundation in which wellbeing can be built and fully implemented.

Employee well-being relates to all aspects of a workplace setting and how employees feel about their role. It includes all aspects of an employee's life particularly their personal life, physical/mental health and relationships etc. Young and Chapman (2021) Due to employees spending the majority of their time working it is imperative that organisations take responsibility for well-being and look to introduce a workplace culture that encourages and supports people to implement healthy behaviours. As aforementioned employees are the greatest assets to every organisation and by ensuring that their well-being is considered and prioritised by leaders, it will encourage motivation and will in turn see a rise in engagement and satisfaction. However, it is vital to ensure that high performance working does not negatively impact well-being by exhausting employees and causing them to burnout. In recent times, well-being has extended past physical well-being and now includes and focuses on a more holistic well-being culture. Employee's well-being and mental health are now not just seen as a workplace "benefit" as they also focus on individual life experiences as well as organisational issues. Meister (2021)



Performance management is a process that measures and maintains an individual and team's performance, ensuring that their goals align with the wider organisations to guarantee the successful achievement of objectives. There is no specific definition of performance management, however, its main purpose is to identify development areas for management to support and encourage employees to grow within their roles by providing guidance, feedback and development opportunities. Monitoring employee management helps identify their strengths and weaknesses and enables a development plan and goals to be established. Management is at the centre of performance management and strengthens the link between individual and organisational performance. CIPD (2020). It is important for managers and their employees to have a clear understanding of what is required of them through a well-defined performance management process. The process can also determine development needs through training or additional support. To ensure better results and performance from individuals, teams and the organisation, there needs to be a structure of defined objectives, standards and competence requirements Armstrong (2006).

Performance Management Cycle



The key stages of performance management can be defined as a continuous cycle that follows four stages: plan, act, monitor and review. The cycle provides guidance on which a manager can effectively plan, monitor and review the performance of their employees. Using a performance management cycle adds a structure and a process to a manager's actions in helping employees to achieve their potential. There are many different versions of the performance management cycle but the most widely acknowledged is the cycle produced by Armstrong (2006). It has been identified that discussing performance on regular basis using a structured format rather than once or twice a year.

The main stages of the cycle are:

Plan – the planning stage is used to establish personal development plans with employees to determine skills needed and to also review requirements with current job role. Goals need to be aligned with organisational strategies and its essential that organisational goals must feed into the planning stage.

Act – employees act out their roles effectively whilst following their personal development plan and achieving their set objectives.

Track – The managers role is to track employees progress and to provide regular feedback and to support through coaching and mentoring.

Review – Both employees and managers review progress and discuss the progression of reaching goals, any performance related issues and any opportunities for career advancement.



Hearn (2018) wrote that continuous performance management enables managers to identify the employees that exceed expectations. Measuring performance allows progress to be tracked against goals and personal development. Providing significant reward methods such as pay rises or bonuses are imperative to employee engagement. Employees that work in an environment that provides good reward and recognition practices are more than likely to go beyond expectations within their roles, as rewards can be vital in motivating employees. According to Bloom et al (2012) (as cited in Taylor, 2016) 23% of organisations were found to be more productive when there were formal practices in place that met targets and incentives and were monitored to perceive how these practices impacted on performance. Performance activities can enhance employee capability and commitment to the organisation through the following activities:

Establishing objectives – enabling employees to identify how they contribute to organisational strategy.

Improvement of performance between employees and teams

Employees being held accountable for their own performance by relating it to reward systems, growth and ultimately termination of contracts due to poor performance.

CIPD (2020)



Performance management can contribute to recognising and rewarding talent by introducing performance related reward systems, which involves rewarding employees in accordance to their own individual performance or contribution to organisational performance. Armstrong (2006) The intention of a reward strategy is to attract and retain employees not just by financial gains but by non-financial motivators that consist of recognition, participation in decisions, career progression and learning and development. Employees who are coached, provided with effective feedback and are recognised and rewarded for their efforts carry out their roles to their fullest potential whilst also improving organisational performance. Rewards in performance management are used as a strategic tool to encourage and motivate staff, it also contributes to individual performance. The main attributes of a reward system can include performance recognition, learning and development opportunities, remuneration, benefits and work/life balance.

As CIPD (2021) states strategic reward is based on introducing reward policies and practices that support both the individuals and organisations objectives, along with employee ambitions. Total reward plays an important part in performance as it includes development opportunities and fair rewards. It also concentrates on cultural changes due to providing employees with the autonomy over their roles. It is

imperative to know that reward and recognition are two separate methods and some employees may prefer to be recognised for their achievements than receiving tangible rewards.

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- Provide coaching and guidance
 - Embed policies and procedures
 - Set clear objectives
 - Open and honest communication
 - Enhance and develop skills
 - Create career opportunities

The Role of Line Managers in Performance Management.

Line managers play a very important role in supporting and encouraging employee performance. When employees feel supported and have good rapport with line managers, they are likely to exceed expectations, be committed and content within their roles. CIPD (2020). Managers act as role models and define and display the core behaviours relating to performance, which consist of showing respect, giving direction and displaying trust. They are also the crucial element in implementing policies and procedures and 'bringing them to life'

Performance is managed by line managers by setting objectives, providing continuous feedback, and providing development opportunities. As written by Armstrong (2006) it is the responsibility of line managers to implement a high-performance culture, in order for them to do this they need to provide clear direction and define what is expected of individuals to meet goals. Managers should also provide continuous progress updates, have a coaching style and share their knowledge. Additionally, managers should be aware of substandard performance and be able to handle it efficiently and effectively.

The roles of HR and line managers in driving performance management.

- Line managers are the driving force of performance processes, with the support and guidance of HR
- HR is responsible for ensuring that performance appraisal processes align with organisational strategies.



HR and line managers have a vested interest in achieving organisational goals and objectives. When it comes to performance management, the HR department provides essential support to line managers, and the wider organisation. Both departments need to work collaboratively to ensure that they get the best out of employees. According to Armstrong and Baron (2005) the operation of performance appraisals in former times was seen as top-down system which was maintained by the HR department, and did not involve line managers in the process. Therefore, managers saw the appraisals scheme as a tick box exercise and approached review meetings with very little enthusiasm. Due to the implementation of a 'Business Partner' role, HR took a change and performance processes were no longer owned by HR, it is now driven by line managers and encouraged and advised by HR.

HR also provide guidance to line managers around the introduction and implementation of policies and procedures that influence performance management processes, as they are 'brought to life' by line managers as staff interact with them on a daily basis. As stated by Perkins and Woodham (2016) it is essential for line managers and HR to work together in also managing reward processes, often line managers do not feel involved in decisions around reward management and so this will have a detrimental effect on employee's engagement and commitment.

Conclusion

In conclusion, organisations are highly likely to achieve organisational objectives when undertaking Performance management practices and having a good understanding of the 'bundle' of High Performance Working methods. It is also imperative that a culture of high performance is introduced to the organisation to ensure employee engagement and commitment. Ensuring that employees are involved in decision making, are given autonomy over their roles and have the required tools in line with organisational objectives all help to ensure success not only for the individuals but for the wider organisation. Well-being is vital in creating high performance working and it is important that line managers identify factors that could negatively impact on employee well-being.

It is also imperative to understand that recognition and reward practices are linked to performance management as it enables employees to feel supported, engaged and committed to their roles. Employees that are recognised and rewarded will be motivated by either extrinsic or intrinsic rewards and will out perform those who aren't engaged. In order for this to happen, it is imperative that employees and their line managers have a good working relationship. When employees feel that they have a positive relationship with their line managers it enables them to have higher levels of job satisfaction.

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