

State of the Practice in Performance Management

How Did We Get Here?

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Introduction

Performance management (PM), the constellation of activities, programs, policies, and procedures that define, develop, and evaluate employee performance, is the cornerstone of talent practices in most organizations. It is by no means easy, simple, or even proven to be effective (DeNisi & Murphy, 2017), but almost every organization believes it is necessary and needed (Colquitt, 2017). PM is one of the few organizational processes that touches every single employee and requires their active participation. In spite of its ubiquitous position in organizations, we have seen a groundswell of questions emerging about the usefulness, value, and effectiveness of PM (DeNisi & Murphy, 2017; DeNisi & Smith, 2014). The popular press has been fraught with sometimes emotional and extreme pleas, for example, to kill performance reviews, ratings, and performance management in general (Colvin, 2015). The obvious question this raises is how can an organizational process so universally adopted be so vilified by researchers and practitioners—not to mention the employees who actually use it?

Dissatisfaction with PM process and outcomes has given rise to unprecedented activity in recent years across organizations to transform their PM systems to yield higher value, efficiency, and satisfaction. Frustrated with uniformly negative attitudes toward PM, organizations have thrown out their traditional best practice playbooks and have begun experimenting with many new and different ideas for conducting PM; these ideas range from eliminating formal goal setting and ratings to adding more frequent goal

setting and feedback check-ins. Never in the past has there been a time when so many organizations have simultaneously begun experimenting with new features for a major talent system. The flurry of activity surrounding PM has left little opportunity to pull up and take stock of what organizations have learned and assess implications for future PM practice and research.

The purpose of this volume is twofold: to step back and assess the developments over the last 5 years in PM practice and research and to provide insights to guide talent management and human resource (HR) practitioners on next-generation PM design. We accomplish these objectives by presenting a cross section of nine case studies that reflect different approaches to PM transformation and by reviewing and summarizing the most recent research in this area.

This volume is intended for talent management and HR professionals who are often the owners and operators of PM processes in organizations. Talent and HR professionals have an opportunity to provide tremendous value to their respective organizations by designing a PM process (or processes if necessary) that addresses their organization's immediate and long-term strategic performance needs. This volume acts as a call to action for HR professionals to truly go beyond the traditional best practices approach and provide the thought leadership necessary to design processes and systems that will enable individual and organizational performance in their organizations. Case studies and research findings included in this volume provide ample examples of unique scenarios and future considerations when designing a new PM process.

We begin here by providing background as well as an overview of the volume contents. The first section addresses the current state of PM, including where we have been. It provides an overview of academic research highlighting the evolution from performance evaluation to performance management and where we are today. We then discuss the practical realities and challenges people in organizations experience with PM every day. Many argue that we have lost our way as an HR profession because PM does not deliver on its promise of driving high performance. It is often not well grounded in the organization's context or tied to its business strategy. More often than not, PM exists for a number of tactical and administrative reasons that have a very loose, if any, connection to business strategy or performance outcomes. Hence, it is not serving as the strategic organizational lever it could be (Mueller-Hanson & Pulakos, 2018).

After discussing the current state of PM research and practice, a brief overview of the nine PM transformation case studies that follow is provided. These case studies come from a spectrum of industries as well as nonprofit and government organizations. They detail the unique situation that each organization faced leading to the redesign of its performance management process. A key theme that consistently emerges across the case studies is that context matters, meaning that important features of each organization's unique context are taken into account and considered in deciding how to transform the company's PM process. This represents a significant shift from the "one-best-way," best practice approach that has characterized PM practice for decades.

Following the case studies are six chapters that address gaps in our current understanding about the role and effectiveness of PM in organizations. These chapters, authored by noted PM scholars and practitioners, point to fundamentally new directions that PM design and implementation need to take in the future. As a preview, although the context in which PM operates is acknowledged as important, we have not even begun scratching the surface regarding context considerations. A second major conclusion is that we need to stop focusing so narrowly on PM system features (e.g., what type of rating scale is best, how many goals should be set for each person, etc.); instead, we need to shift our attention to understanding what factors are most important in driving organizational performance and the role of PM holistically within these.

Research: Where We Have Been

DeNisi and Murphy (2017) and Pulakos, Mueller-Hanson, and Arad (2019) have provided a huge service to industrial-organizational psychologists by compiling and reviewing the PM research. Both extensive reviews agreed that interest in this area began with research specific to performance evaluation and then evolved to include the broader activities encompassed in PM. Pulakos (2009) indicated the steps involved in performance management and how performance management is typically used in organizations today (Table 1.1).

Dorsey and Mueller-Hanson (2017) further elaborated on the distinction between performance management and performance evaluation. Performance management "is the broad collection of activities designed

Table 1.1 Eight Steps of Performance Management

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1. Leaders set organizational, division, and department goals
 2. Managers and employees set objectives and discuss behavioral expectations
 3. Managers and employees hold ongoing performance discussions
 4. Employees provide input regarding their own perceptions of performance
 5. Knowledgeable rating sources provide input on employee performance
 6. Managers rate performance
 7. Managers and employees hold formal review sessions
 8. HR decisions are made—pay, promotion, termination
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Note. From Pulakos, 2009.

to maximize individual, and by extension, organizational performance. It includes setting expectations, measuring employee behaviors and results, providing coaching and feedback, and evaluating performance over time to use in decision-making” (p. 7). Aligning individual efforts to organizational goals and achievements is the main purpose of PM. Performance management activities also tend to be embedded in even larger talent management activities, such as career development, talent review, and succession planning. Performance appraisal, “or performance evaluation, is the assessment of past performance within a given time frame. The purpose is to judge how well employees have performed relevant to expectations and to use this information to make a variety of talent and organizational decisions” (Dorsey & Mueller-Hanson, 2017, p. 7). Performance appraisal, by definition, looks backward at past behavior and performance, while PM, assuming constant informal feedback is occurring, is more forward looking.

The research literature in industrial–organizational psychology is chock full of hundreds of research studies that examine many different aspects of performance appraisal and management processes. Goal setting is one such example. Research has repeatedly supported the value of goal setting (Locke & Latham, 1990; Locke, Shaw, Saari, & Latham, 1981); however, one limitation is that most goal-setting research has occurred in the laboratory with students as subjects. The research literature is largely devoid of organizational field studies examining the impacts of formal goal setting on performance as it is implemented as part of typical PM processes. Other research has examined many different aspects of PM, such as whether or not the quality of ratings differs with different types of rating scales, what impact

different types of rater training have on ratings, how satisfaction changes with different types of feedback, and the reliability of ratings from different types of multisource raters, among hundreds of other system-specific research questions and topics.

Despite the large volume of PM research, remarkably absent from DeNisi and Murphy (2017) and Pulakos et al.'s (2019) reviews of the literature are studies that directly examined the impact of PM on organizational performance (see Gartner, 2004, for an exception). This is unfortunate because, at its core, PM is an organizational-level phenomenon whose ultimate criterion—in the purest sense—is (or should be) driving organizational performance outcomes. However, we have virtually no research that enables us to say what impact, if any, PM has on performance. DeNisi and Smith (2014) similarly noted that PM research has been focused at the individual level, and the assumption has been made that the aggregate of individual-level performance equates to organizational performance. To date, however, linkages between individual and organizational performance have not materialized (DeNisi & Smith, 2014). Hence, there is a significant gap in our knowledge and understanding of the role and impact of PM in driving organizational performance.

Organizational Reality: Where We Are

Owners of PM in organizations struggle with operational systems that are vilified and rarely deliver on their promise to facilitate managing performance (Buckingham & Goodall, 2015). This practical reality stems from reasons that are different from what emerges from research studies. One of the key problems associated with PM processes is that both individual employees and managers spend a great deal of time and effort on process steps for which they see little return, and this is what has created great disdain and perceptions of high burden and low value for PM activities. Every organization believes it needs PM at the same time that every employee and manager sees little-to-no value in it (Colquitt, 2017).

There are a number of reasons that contribute to PM being viewed so poorly by users. Six of the most challenging issues are highlighted here and then discussed further in material that follows. First, performance management is almost always seen as an administrative “HR activity” rather than a strategic business activity, so employees do not see that performance

management done right can actually help drive important performance outcomes. Second, it is viewed as plagued by “flavor-of-the-day” HR trends, which can result in the implementation of feckless practices rather than ones that are designed to fit the unique strategic needs and context of each organization. Related to this is the third issue: Many performance management systems are developed by individuals who lack deep expertise in performance measurement and HR system design. This exacerbates the fourth issue. Managers are generally not well trained on how to manage employee performance effectively, and most managers also do not have the inherent capabilities to do this. A fifth issue is that more attention is paid to the automated system that drives the performance management process than the effectiveness and relevance of the process itself. Finally, most performance management processes were designed for stable, static organizations that are rare in today’s turbulent work environment.

Human Resources Activity

At its core, PM is supposed to be about setting clear goals and expectations aligned with business objectives. Feedback and coaching are intended to drive performance and goal attainment. Ongoing personal development is supposed to ensure that individuals possess the skills and capabilities they need to achieve expected performance levels. HR functions might facilitate or enable the PM process, but to be effective and add value, PM needs to be embraced as a business process, not an isolated HR event. Reward is at the end, and in pay-for-performance organizations, there should be a link between compensation strategy and individual and organizational performance outcomes.

Many HR practitioners rightly argue that PM is a management tool to help managers run their businesses. This is how PM is discussed in management development training and PM training. Managers who participate in this training will often describe the “light bulb going off” when the connection is made that PM is a business tool. Unfortunately, managers can easily miss this connection because PM is usually something that HR tells them to do without fully explaining its intent and how it can add value to helping them run their organizations.

Questions have been raised about the extent to which HR practitioners comprehensively understand the purpose and intention of PM. Often, they

also see PM as an HR activity. Unfortunately, when PM gets to the point of being viewed as a “check-the-box” HR activity, which is often the case, it loses not only its intended purpose but also its potential to serve as an important business management tool. This is a missed opportunity.

Accepted Best Practice

In the past, organizations have willingly adopted identified “best practices” without asking what will truly work best for their specific situation and business needs. As admired, high-performing organizations such as GE and Pepsi shared their PM practices, aspects of their designs would quickly emerge as trends elsewhere. The quotation “what gets measured gets managed” is often attributed to both Peter Drucker, the management guru, and Jack Welch, GE’s chief executive officer (CEO) for over 20 years, who is associated with many best practice PM designs.

Performance management trends that have been adopted broadly include things like setting and evaluating SMART (specific, measurable, achievable, realistic, time-sensitive) goals; the evaluation of competencies; development conversations as part of PM ; and then midyear and year-end review conversations. These aspects of PM have been readily and broadly adopted and built into organizations’ operating plans without empirical data demonstrating their effectiveness. These features have been anointed as best practice based on the assumption that they are fulfilling their intended purpose of managing performance, and they have yielded a largely “one-size-fits-all” best practice approach to PM.

Lack of Design Rigor

Many people assume that PM processes are owned internally by PM experts who have the background and deep expertise to design and administer such systems. In most situations, however, PM is not owned by PM experts. Sometimes, organizations do consult with measurement experts, such as industrial–organizational psychologists, to leverage the technical expertise they bring to PM system design. In many cases, however, design efforts may be led by nonexperts, who are more apt to blindly embrace best practices that may or may not be the best fit to their specific organization context.

To help address recognized gaps in PM technical expertise, the partnership of the Society for Human Resource Management (SHRM) and the Society for Industrial-Organizational Psychology (SIOP) has created a “science-to-practice” series of white papers that provide guidance in a number of HR areas. SHRM and SIOP’s contribution in the area of PM (Dorsey & Mueller-Hanson, 2017) provides a detailed blueprint of how to design and implement an evidence-based approach to PM that provides useful guidance for HR when technical expertise may not be available.

Lack of Manager Capability

Performance management processes are often designed and implemented with the expectation that managers and employees have the skills necessary to complete its various steps and tasks. It assumes, for example, that users possess skill and understanding of how to create/write SMART goals. It assumes managers are skilled at providing feedback and employees are skilled at and receptive to receiving feedback. It assumes managers are able to adequately assess performance and provide the appropriate performance rating. Performance management is thus a process that operates based on many assumptions. Successful PM implementations typically involve a number of supporting training initiatives that are provided to build the needed manager and employee capabilities. There is often training provided on goal setting, for example, how to write appropriate goals as well as how to provide accurate performance ratings, minimizing rating errors like halo or recency effect. In many situations, however, training is not provided, and managers and employees are simply provided with prescriptive checklists of what “to do” without having the necessary understanding or capability to do it.

Even if training is provided, PM activities are still subject to wide differences in manager capability. Many PM practitioners can cite frequent examples of employees receiving a performance evaluation from their manager in the system of record without any performance conversation taking place. When employees receive poor ratings, many express surprise, stating they never received any feedback indicating their performance was poor. The key question is to what extent are managers equipped to provide the feedback and guidance that is necessary to drive

effective performance? Current practice and attitudes toward PM suggest large gaps in this area.

System Automation

System automation has greatly impacted our current state of PM. Over the last 20 years, the focus of PM has shifted to automation, based on the assumption that it will yield more useful and efficient PM processes for the organization. Ironically, while automation has increased efficiencies, it has also undermined the effectiveness of PM in most cases. Organizations have become enamored with shiny new automated systems, largely stemming from managers and employees who have demanded easier tools. Over time, this has contributed to the purpose of PM getting lost as people become more focused on the automation and tools than effectively managing performance. Conversations with practitioners readily turn to discussions of automation and “who” is selling “what” PM product. There is an underlying organizational expectation that PM can be made simpler, easier, and more effective if only better automated. Over time, the fascination and demand for automated PM processes has become more important than the quality of the PM process itself.

Wrong Use or Misuse of Performance Management

While one might assume that PM systems should be about managing performance, the way in which PM systems are operationalized in organizations often has nothing to do with the actual measurement of individual, team, or organizational performance. The practical reality is that PM in many organizations is poorly implemented. It is common to hear horror stories, for example, about reward decisions being made before performance is evaluated or compensation recommendations (bonus or merit) being finalized before performance reviews are even begun. This often happens when the compensation and benefits group owns the PM process. In these situations, the priority is pay, whether it is merit-based pay or variable bonus pay, and PM plays a subordinate role. When pay for performance overtakes PM, the latter is used to justify a bonus or salary increase versus performance-determining rewards. For practitioners in this scenario, changing long-established legacy

processes, even if everyone agrees they are ineffective, is still extremely difficult to do and cannot be accomplished without top leader support and significant effort.

Sometimes, directives or preferences from senior leaders can create misalignment between the PM system and the intended purpose of managing performance. Many practitioners have experienced scenarios in which a CEO or chief human resource officer (CHRO) is quite involved and directive in PM design but does not necessarily offer substantive insights. Organizational politics and ego can definitively play a role in PM design and can negatively impact its effectiveness. A common shared experience among experienced practitioners is spending countless hours designing a PM process with a senior leader who is fixated on “the form” and what the goal and evaluation template looks like with no conversation or understanding of the real purpose of the PM process, which is to manage performance. Concerns about goal clarity, alignment, or feedback can easily get lost in debates concerning features of the form. Needless to say, a focus like this can easily undermine the utility of PM.

Antiquated Use

Performance management systems were designed for organizations with very stable business models and operations. They work best in manufacturing, sales, or other environments in which performance is easily quantifiable. However, today’s work environments are disruptive, dynamic, and fluid; products and services are not as easily quantifiable, and how work is done is just as important, if not more important, than what is done. For most organizations today, our PM systems, and HR practices in general, have not kept pace with the ever-changing nature of work.

The Future

Both research and practical experience have raised significant questions about the effectiveness of PM in organizations for the reasons outlined. Dissatisfaction with PM has grown over time as a result, which has led to the recent explosion of PM transformation efforts that organizations have undertaken. The purpose of this volume is to assess what we have learned to

date from these and set an agenda for next steps in the evolution of PM. The agenda becomes a guide for talent management and HR professionals.

We accomplish this first by presenting a cross section of case studies that provide concrete examples of how different organizations have opted to transform their PM processes. It is clear from these that blindly adopting best practices from other organizations is no longer the predominant trend. Instead, organizations are transforming best practice to “their practice” by focusing on their unique context and needs, which reflects an increasingly robust trend in PM design. The case studies are followed by several chapters written by recognized experts in PM research and implementations. These chapters point to needed research and new directions for practice that will help to continually evolve and increase the value of our PM practices. For practitioners, understanding unique case study designs from diverse organizations can provide ideas and potential solutions that may serve as catalysts for PM redesign in their organizations.

Summary of the Case Studies

The case studies represent organizations that vary in their size, industry, maturity, strategy, and most pressing business concerns. The present case studies tend to view PM strategically—as a lever for organizational success—and they tie their PM processes to key business strategies, such as business unit integration, changes in business strategy and direction, and cultural transformation, among others. The case study authors share their respective journeys of PM transformation, including lessons learned and outcomes. In preparing their cases, the authors were asked to address the following questions to facilitate understanding and making comparisons across the cases regarding the rationale for change, procedures adopted, and outcomes:

- Why was PM transformation undertaken in your organization? How did change efforts relate to your organization’s business strategy and goals?
- What new approaches did you try?
- What worked well, and how do you know?
- What did not work as expected and you would not recommend doing again?

- What is the most important lesson you learned about PM transformation?
- Tell us what surprised you the most—was unexpected—and will surprise the rest of us.
- What outcomes did you achieve?
- As a field, where do we still have gaps and need more work to achieve effective performance management?

The cases are briefly summarized next.

Performance management transformation at *Toyota* was driven by both internal and external factors. Internally, the need was identified to improve communication and alignment across a previously siloed and decentralized organization. Externally, new competitors threatened the legacy business model. Major advancements in machine learning and artificial intelligence, coupled with the sheer amount of technology and software in vehicles, meant that new competitors beyond traditional automakers were emerging, such as technology companies like Google and Apple. Their global CEO thus challenged Toyota to transform from an automotive manufacturing company to a mobility company—in which mobility was treated as a service. Transformation of their PM process contributed to the infrastructure Toyota needed to drive this larger organizational change.

AbbVie, a global, research-based biopharmaceutical company, is dedicated to developing and delivering a consistent stream of innovative medicines. AbbVie was spun off from Abbott pharmaceuticals in 2013, and over a 5-year period, built a tailor-made PM process, guided by the scientific knowledge of human behavior and AbbVie's unique culture imperative. This case study takes us through AbbVie's journey, highlighting how prioritizing PM was a strategic choice in the newly formed organization.

The *Medtronic* case describes the start, stall, and restart of PM transformation. Urgent business needs in 2014 accelerated the PM transformation. A changing business operating model that would centralize most processes and the acquisition of Covidien, which doubled Medtronic's size and revenue, forced the prioritization of HR and talent system change. Medtronic understood that in order to meet future business needs they would need to harmonize, standardize, and scale each talent process in an integrated manner. Performance management was identified as a top priority, with the business driving the need for the PM restart, not HR.

Gogo, the inflight Internet company, underwent significant business transformation as a result of shifting technologies and market conditions. The case describes *Gogo*'s journey, in which an increasingly volatile, uncertain, complex, and ambiguous (VUCA) operating environment required employees in a number of business and functional areas to work together differently. In this increasingly networked and agile operating environment, traditional PM was not supporting how employees actually worked together. In response, *Gogo* implemented more agile and responsive processes that allowed for greater flexibility and touchpoints to accommodate an increasingly changing marketplace.

The next case describes PM transformation at *Deloitte*, a global professional services firm. *Deloitte* calculated that 1.8 million hours a year were spent on PM, a process that professionals and managers found bureaucratic and demotivating. Performance management was felt to be a critical tool in *Deloitte*'s professional services environment. Wanting to push the boundaries of traditional approaches, they removed goal setting, ratings, and calibration meetings and pushed a much less complex rating process that allowed project leaders to capture "snapshots" of each professional's performance.

The *HM Courts and Tribunals Service* in England and Wales is a government entity that recently underwent PM transformation as part of a 6-year journey to modernize and upgrade the courts system. To support this business transformation, the personal impact and development (PID) scheme was developed. This was a more informal system and approach to PM that incorporated regular conversations with direct reports to discuss performance, strengths, aspirations, and potential. The new process, jointly owned by managers and employees, is much more future thinking and developmentally focused than the prior PM model.

PYXERA Global facilitates partnerships between public, private, and social sectors worldwide to create social impact projects that enrich lives and livelihoods, inclusively and sustainably. *PYXERA*, a nonprofit organization based in Washington, D.C., was experiencing a growth spurt that required scaling their HR practices, including PM, to accommodate their growth. They streamlined their process and focused on three strategic pillars through which goal setting and competencies were driven. Their efforts made PM a more focal activity, providing employees with a greater sense of alignment to strategic goals and a greater understanding of and appreciation for critical organizational imperatives that they needed to embrace and keep in front of mind to deliver high performance.

A case study from *Patagonia*, providers of outdoor apparel and provisions, describes an employee-driven approach to PM transformation that is strongly aligned with Patagonia's culture and mission: to save our home planet. Recognizing their old approach to PM was inconsistent with the company culture and was not helping employees to connect to the mission, the company introduced a new "regenerative" performance approach that moved away from a traditional, top-down process to a light-touch, agile, and dynamic employee-driven approach.

Finally, we highlight a *large healthcare company* that made a conscious decision to transform their PM system from a traditional process focused on assigning performance ratings to one in which managers have accountability to provide ongoing coaching and feedback throughout the year and allocate compensation rewards differentially based on each employees' contribution and impact. Extremely challenging business conditions, along with years of acquisitions, prompted the organization to relook at its culture and define one organizational culture with reinforcing behaviors. The new ratingless PM system aligned with the organization's cultural aspirations to have all employees take accountability for their role in the company's success, treat each other with respect, and build trust through candid conversations, while maintaining a strong focus on performance. This case highlights how a ratingless process can work, enhancing accountability and performance.

Gaining More Value From Performance Management Going Forward

Section III of this volume focuses on next-generation performance management; specifically, six chapters are devoted to identifying gaps in our knowledge of PM and suggesting future directions for research and practice. Similar to the strong trend that emerged in the case studies, the chapter authors noted the importance of context considerations in designing PM processes and emphasized the importance of PM aligning with the organization's unique business circumstances and needs.

Several chapter authors commented on a gap that exists in our understanding of how organizational performance is created, noting that we lack insight into the organizational conditions and circumstances that lead to high performance and need a better understanding of the factors that matter most in enabling both individual and organizational performance, how and

if these relate to each other, and what role formal PM plays in the process. Two of the chapters in Section III demonstrate how cross-organizational research can help us better understand the role that PM plays in organizational performance. Raising our level of analysis from the individual level, which is characteristic of almost all prior PM research to date, to the organizational level better enables us to address questions about how organizational performance comes about.

In Chapter 11, Benjamin Schneider and Gerald Ledford's research demonstrates that creating the right feedback climate for honest and effective feedback is critical for improving feedback effectiveness. Effective feedback is core to PM, and Schneider and Ledford argue organizations have missed the boat on its importance. They developed a new measure of feedback climate and then used this to study the impact of feedback climate among other factors on individuals and organizational outcomes in over 200 organizations. They found that feedback climate was a positive correlate of both individual and organizational feedback effectiveness. They noted that most manager training provided in organizations builds capability around how to provide constructive performance coaching and feedback, but the authors argue that this is not enough. In order to ensure effective feedback, their research supports the notion that the right climate for feedback is actually more important.

In Chapter 12, Elaine Pulakos and Tracy Kantrowitz explore the implications of the changing work environment for PM design and practice. They describe research whose purpose was to understand what organizational conditions lead to adaptability, resilience, and agility (ARA) and what outcomes result from ARA. They showed that companies with high ARA showed substantially higher profitability than companies with low ARA, in fact up to 500% higher. Their research further identified six organizational conditions that are important for creating ARA: four organization-level factors (strategy, stability, climate, and engagement) and two particularly important team-level factors (interconnected performance and real-time performance drivers, including agile goals, real-time feedback, and solving performance problems). They discuss implications of their research for future PM design and practices, noting that the prevalence of interconnected performance puts more emphasis on team performance than individual performance in today's work environment. They further note that the importance of the performance drivers for both ARA and profitability suggest that

we need to double down on our efforts to embed behaviors so they become robust features of our organizational environments.

The next chapter then takes a deeper dive into context and the potential impact of a wide array of context factors on PM design and effectiveness. We have only begun to scratch the surface of what there is to learn in this area. Jeanette Cleveland in Chapter 13 makes a strong and compelling argument about the powerful effects of context factors, suggesting that the success or failure of will likely depend more on these than the actual design, execution, and training of the process itself. Cleveland further raises a critical oversight in pointing out that the organization's workforce has been virtually ignored as an essential element of the context that cannot be overlooked if the goal is to design well-fit, effective PM processes.

Ryan O'Leary and Elizabeth Lentz's Chapter 14 focuses on the role of technology in PM transformation. The evolution of technology from automated spreadsheets to artificial intelligence allows for more objective data and feedback. The authors posit that advances in technology can better support the activities needed to truly drive performance, such as objectivity, timeliness of feedback, transparency, and data credibility. Technology can help to address some of the manager capability issues noted in this chapter. But, the authors caution that technology does not create change in and of itself. Technology needs to support organizational change strategies—not be the strategy.

Finally, we end with two concluding chapters, Chapter 15 by Rose Mueller-Hanson devoted to practice and Chapter 16 by Kevin Murphy devoted to future research. The practice-oriented chapter provides a practical, concrete playbook that will help PM professionals give more holistic consideration to context factors in designing their PM systems. It highlights key elements that practitioners should keep in mind as they design their unique PM processes, going far beyond SMART goals and rating scales.

Murphy then concludes the volume with a provocative chapter that looks at traditional versus modern PM processes and provides a road map for future research. He rightly notes that PM is in a state of crisis. After decades of research, hundreds of books, and thousands of studies on this topic, no empirical data exist to support its effectiveness or that it has any impact whatsoever on organizational performance. Yet, PM remains a ubiquitous phenomenon in organizations, large and small. For all of its flaws, PM is not going away. Clearly, much more work is needed—but differently focused—to untangle our assumptions and reveal ground truth about the role that PM plays in organizations and its value. Talent management and HR professionals can

provide huge value to their organizations if they can critically and systematically design holistic PM processes that unlock the potential to enhance individual, team, and organizational performance. We hope this volume changes practitioners' mindsets and experiences to provide that added value.

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