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Perceived unfairness in appraisal: engagement and sustainable organizational performance
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Abstract

Purpose – The purpose of this paper is to explore the contribution of appraisal systems to sustainable organizational effectiveness. It argues that competitive advantage is increasingly reliant on discretionary effort. As the emphasis of appraisal has shifted from a developmental to a performance focus, perceived unfairness in both procedures and outcomes threatens to undermine commitment and, therefore, sustainable performance.

Design/methodology/approach – Drawing on a range of theoretical frameworks, current practices and experiences are examined and future trends considered. Empirical research includes a ten-year study of practising managers and ethnography, questionnaires and interviews in two large organizations.

Findings – Appraisal frequently creates actual and perceived injustice in terms of both procedures and rewards. It also generates tensions between managing performance and encouraging engagement.

Research limitations/implications – This study indicates that further research in other sectors will contribute to the development of greater understanding of sustainable strategic approaches to HRM.

Practical implications – Emphasis on performance in appraisal devalues developmental aspects and sometimes affects employee well-being. Separation of the two through mentorship schemes may help to address the paradox, whereby the performance management element of appraisal undermines rather than enhances organizational effectiveness.

Originality/value – The conventional wisdom of the appraisal culture is challenged. We argue it is essential to expand the discourse between performance, justice and ethical value systems if sustainable competitive advantage and well-being are to be achieved.

Keywords Performance, Competitive advantage, Appraisal, Fairness, Organizational justice, Sustainable HR strategy

Paper type Research paper

Introduction

As organizations have developed more formal approaches to strategic management, there has been some movement towards the integration of these processes with the management of human resources. This has involved many organizations in the introduction of formal performance systems, frequently characterized by appraisals or performance reviews.

As the prevalence of performance appraisal has grown so its importance in shaping employee perceptions of justice has become more important. Outcomes and processes which are perceived as unfair in an organization will result in a workforce whose contribution through enthusiasm and engagement is never fully realized. This has never been more relevant in terms of sustaining performance in times of economic downturn when reliance on discretionary effort may be crucial to competitive advantage or survival (CIPD, 2012).

Organizational justice is concerned with: the fairness by which the benefits and burdens of an organization are allocated; the fairness of the process by which decisions are made and; the fairness of interpersonal treatment and information (Greenberg, 1987, 1990; Folger and Bies, 1989; Beugre, 1998).

Organizational justice is a useful concept through which to examine the outcomes and processes of performance appraisal. It is core to the central psychological contract and to employee engagement and discretionary effort. It is also helpful for both theory and practice if new developments in performance appraisal can be examined through this lens.

Aims

This paper begins with an overview of the development of concepts of organizational justice. There is an examination of recent developments in appraisal from an organizational justice perspective and a statement of relevant research questions. The paper describes empirical work carried out by the authors, presents the findings from these studies and draws conclusions which are related back to other work and provides suggestions for future focus.

It aims to challenge the conventional wisdom of the appraisal culture and to stimulate a much-needed debate about effective and sustainable performance management within a framework of organizational justice and ethical value systems.

Literature

Organizational justice

For millennia philosophers have been interested in justice and fairness as essential elements of moral philosophy. Plato makes a distinction between ethics and justice, providing examples of actions which are just but not ethical. In the *Nicomachean Ethics* (2006) Aristotle distinguishes between rectificatory justice and distributive justice. John Rawls laid out a full account of the principles of distributive justice; in 1958 he wrote *Justice as Fairness*, which was later developed into *A Theory of Justice* (1971). Rawls' difference principle is a significant alternative concept of distributive justice. It moves from a concept of strict egalitarianism to a principle where inequalities are permissible as long as everyone gains from the inequality (Rawls 1958, p. 166). Rawls' idea benefits the most disadvantaged in a society. This approach may be thought less relevant to views of organizational justice than it is to society as a whole. Organizations are purposeful entities, which are highly selective of their members and nurturing of their talent. Nonetheless, the debate which Rawls rekindled is relevant insofar as it highlighted different ethical frameworks and led to further discussion about the relationship between ethics and justice.

In the mid twentieth century the burgeoning discipline of social science turned its attention to concepts of justice. It was not, however, until the 1980 that the workplace became a focus for what has come to be known as organizational justice (Greenberg, 1987). Theorists have distinguished distributive justice – the fairness of outcomes – from procedural justice – the fairness of the way in which these outcomes are brought about. There has been a recent theoretical separation leading to a third category – interactional justice (Bies, 2001) – concerning the ways in which decisions are made and the ways in which they are implemented and communicated, sometimes subdivided into interpersonal justice – how people are treated – and informational justice – how people are informed about why outcomes are distributed as they are and why particular procedures are used. There are clear resonances of the idea of distributive justice both in political theory and in disciplines like criminology where it provides some explanation for deviant behaviour (Lea and Young, 1996). Greenberg (1990, p. 400) explains, that organizational justice began “to test principles of justice in general social interaction, not organizations in particular”. The early contributions of Homans (1961) and Adams (1963) provided a focus on distributive justice. Adams' (1963) equity theory put forward the proposition that, because workers compare their own input/output ratios with that of others, both behaviours and attitudes change when there are perceived inequalities as workers attempt to rebalance those ratios. Links between perceptions of fairness and both individual well-being and motivation have recently received attention from commentators (Blanchflower and Oswald, 2011; Clifton and Amran, 2011, pp. 123-124).

The social science framework, which separates distributive, procedural and interactional justice, may be a useful lens through which to consider organizational approaches to performance management, but it does not present the whole picture. People are influenced in their considerations of what is just by many ethical frameworks (Stanford, 2007). Any analysis of attitudes to justice within organizations needs to be mindful of the

repertoire of beliefs that people hold. These may lack coherence but, nevertheless, inform responses to organizational interventions designed to manage performance.

Appraisal

One of the ways in which distributive justice can be influenced is through appraisal systems. Armstrong and Baron's (1997) survey distinguished pay-led and development-led performance management systems. Pay-led systems can result in increased pay and other rewards such as promotion, career opportunities or actions to remedy disciplinary or capability issues, perhaps resulting in dismissal. Developmental appraisal is related to enhancing individual performance and can often result in differential access to organizational resources such as education and training.

A 2009 CIPD survey showed that both areas were considered to be part of performance management by at least three-quarters of respondents (CIPD, 2009a). The same survey also indicated "a significant level of scepticism as to whether performance management does impact on organisational performance" (CIPD, 2009a, p. 18).

Guest (1997) attributes the failure of surveys to show a positive link between well-developed performance management strategies and organizational effectiveness to inconsistent application. We argue that it is not only inconsistency but also perceived unfairness, which accounts for the disparity and that the combination of developmental and reward-led elements in appraisal is a major contributor to this disparity.

If both the outcomes and processes of appraisal are considered unfair then it might explain the attitudinal and behavioural outcomes predicted by Adams, including reduction of effort and a lack of engagement.

Even when procedures are objective, outcomes of appraisal may be seen as unfair. However, if procedures themselves are seen as unfair, it is virtually impossible for outcomes to be seen as fair. There has been a considerable volume of research into procedural aspects of appraisal, including the reliability and validity of performance measurement, stakeholder involvement and the provision of feedback.

Folger and Bies (1989) identify seven procedural elements important to managers. These are:

- (1) giving adequate consideration to employees' viewpoints;
- (2) suppressing bias;
- (3) applying decision-making criteria consistently across employees;
- (4) providing timely feedback to employees after the decision;
- (5) providing justification for the decision;
- (6) being truthful in communication; and
- (7) treating employees with courtesy and civility.

We utilize these elements in our analysis of respondent perceptions of appraisal.

Appraisal and performance management

For over 50 years research has been consistent in demonstrating the ineffectiveness of schemes which link interviews with remuneration (Maier 1958; O'Neill, 1995; Oliver, 1996; Prowse and Prowse, 2009). There is no evidence which supports a positive relationship between appraisal-based extrinsic rewards and long-term improvements in the quality of performance. Nevertheless, as the CIPD survey showed (CIPD, 2009a) one of the major objectives of appraisal, along with objective setting and training needs analysis for employee development purposes was providing information for remuneration purposes. In an IRS (1994) survey managers ranked the following purposes of appraisal in descending order of importance: "identifying training needs", "improving individual/corporate performance", "encouraging manager-subordinate dialogue", "bringing about cultural change" and "succession planning and identifying individual potential". These were all more important than "assessing performance to determine individual performance-related pay", which was ranked as last in order of importance. More recent studies (Armstrong and Baron, 2005; CIPD, 2009a) support these findings. The purposes of

appraisal frequently lack coherence and can be seen as at odds with one another. Research from the USA shows that appraisals there are used for multiple purposes including, not only those previously cited, but also promotions, lay-offs, transfers and terminations (Thomas and Bretz, 1994; Smith et al., 1996).

There are not only multiple reasons for carrying out appraisals but also a wide range of ways in which assessment is done. Marchington and Wilkinson (1996) classify these approaches as: traits, behaviours and outcomes. Graphic rating scales have been used to measure traits such as commitment, reliability and conscientiousness. Behaviourally anchored rating scales (BARS) and, more recently, competence-based assessment have been used to assess behaviour. Outcomes have been appraised through management by objectives (MBO) or by direct measurement of output, sales, quality or other quantifiable criteria. There has been a tendency for more mechanistic systems to be used for manual workers (IRS, 1994).

Line managers have, traditionally, carried out appraisals. The introduction of self-appraisal, peer appraisal, 360 degree appraisal and balanced scorecard approaches, to provide a wider perspective on performance is well-documented through surveys (Smith et al., 1996; Wiese and Buckley, 1998; CIPD, 2009a). Armstrong and Baron (1998) provide evidence that many organizations are linking appraisal more closely to employee development and separating this from decisions about levels of pay. There are few reported instances of group or team appraisal. E-appraisal is carried out in a small number of organizations and there is an element of self-appraisal (Payne et al., 2009).

Underlying philosophies of management clearly underpin both the methods in use and the reasons why appraisal is employed. Research since the 1990s has recorded a gradual move away from subjective judgements exemplified in graphic rating of traits towards a more complex review of process behaviour and outcomes and a joint approach to establishing objectives and analysing development needs (Neeley, 1998; Bennett, 2006; CIPD, 2009b). There is now less evidence of linking appraisal to reward and an increase in employee development activities, through personal development plans (PDPs) and continuous professional development (CPD).

These changes may be thought of as signals that there has been a fundamental change in the underlying philosophies of human resource management, which inform the appraisal process. There is evidence, perhaps, of greater congruence between rhetoric and reality. Notions of empowerment, commitment, culture and consensus appear to be part of “the way we do things round here” as well as of the managerial discourse. Yet, before we accept that organizations have shifted towards developmental humanism (Beer and Spector, 1985), we perhaps need to see real evidence that what we are seeing is not merely a more subtle form of utilitarian instrumentalism (Fombrun et al., 1984). It is possible that what the surveys have unearthed is the manifestation of “the business case for justice” rather than justice itself.

Many organizations have taken a far more strategic approach to human resource management. Performance management does have a pivotal integrative role in relating employee resourcing, reward, relations and development practices to strategic objectives (CIPD, 2009b). Yet, it is by no means certain that this strategic emphasis reflects a change in values. In a climate where discretionary effort is critical to success, perceptions of fairness are rarely fully considered.

Well-being

Recent research has considered linkages of happiness and well-being to both work and personal performance (Layard, 2006; Blanchflower and Oswald, 2011). There is a growing recognition that employee well-being plays a significant role in sustainable organizational performance especially in terms of efficiency. This research includes absence figures, turnover and engagement whilst at work (Juniper et al., 2011). Stakeholder theory considers the “sustaining corporation” making a positive contribution to human well-being (Clifton and Amran, 2011, pp. 123-124). Utilitarianism cites the importance of

healthy, respectful and supportive organizational culture and fair treatment, security and recognition (Ashkanasy, 2011, p. 25). In their quantitative review of employee well-being and the HRM organizational performance relationship Van De Voorde et al. (2012) find congruence with organization performance and well-being in terms of a mutual gains perspective. However, findings regarding health-related well-being are not so clear and show some tendency to conflict in terms of negative impact on health and performance linked with stress. Discretionary effort and the motivation that employee engagement requires are both necessary to the well-being of individuals and the well-being and competitive advantage of the organization (Robertson and Cooper, 2010).

Research focus

In a recession, improved performance and employee commitment become more important if organizations are to maintain competitive advantage. Interest in ethical behaviour has grown in the wake of corporate scandals including banking crises. Employee well-being is perceived as important from both ethical and performance standpoints (Baptiste, 2008). Yet the links between managing performance, social responsibility and justice have not been adequately researched. We were interested in whether perceptions of the fairness of appraisal affected the effectiveness of performance management systems.

Our research questions reflect the relationship between organizational justice, business ethics and improving performance for competitive advantage.

Are differences in organizational rewards and responsibilities attributable to appraisals?

Are the outcomes and procedures of appraisal perceived as fair and ethical by employees and managers?

Does the organizational rhetoric about ethics match the reality of everyday organizational life?

Is the effectiveness of performance management influenced by the conflicting agendas of control and development?

Methodology

In order to explore both the richness of attitudes to appraisal and the extent to which views were shared a mixed methods approach was used. Documentary analysis, formal and informal interviews, questionnaires and observation were the primary tools. Literature reviews were carried out to establish comparable current research findings and theoretical frameworks. The initial research started off in all cases with an exploratory phase using informal interviews followed by content analysis to identify emerging trends and patterns.

The information came from three main samples.

Sample 1 was a study which comprised over 100 managers engaged on management development programmes at two higher educational institutions over a period of ten years. The sample was a convenience sample representing male and female managers in both the public and private sectors. There was a 100 per cent response rate from these participants because of their relationship with the researchers. All participants in this sample were interviewed informally and also completed a questionnaire; most participants also completed a reflective account of their own experiences of appraisal as part of a professional development exercise.

Samples 2 and 3 were taken simultaneously from two large service and manufacturing organizations in the advanced technology sector. They comprised a purposive diagonal ethnographic survey of 40 employees followed by a postal questionnaire sent to all employees and completed by 500. Free access to all employees had been negotiated with the consent of senior management, trade unions and the employees themselves. Discussions were wide-ranging and anonymity and confidentiality encouraged trust and a frank exchange of views. Response rates to the questionnaires were 30 per cent from organization A and 16 per cent from organization B. All participants were based in the UK and were in full time employment. The information was based on up-to-date personnel

print outs from both organizations. Over 75 per cent of respondents had experienced some kind of formal appraisal at their present organization and many had also experienced appraisal at their previous organization.

All the 100 managers from sample 1 and 40 people from samples 2 and 3 completed a semi-structured account of how appraisals and performance management took place in their organization. They gave their own perceptions of the effectiveness and appropriateness of any of the systems and outcomes they had experienced. Themes and linkages identified through content analysis were used to design questionnaires with categories that could be interrogated by a mixture of quantitative and qualitative means. Transcripts were analysed independently by three people to help to achieve triangulation of analysis. Consensus on the underlying themes provided a basis for the development of questionnaires. The tools, systems, procedures and outcomes of appraisal and the participants' perceptions of linkages to individual performance, motivation and organizational effectiveness were explored in the questionnaire.

Significance testing was undertaken by means of χ^2 (Bhattacharyya and Johnson 1977). The purpose of this was to examine whether there were any significant differences between responses from different organizations, sectors, occupations, length of service and gender.

Respondents were asked to comment on anything not included in the questionnaire concerning appraisal, performance-related pay or company culture that they felt was important.

The comments that most commonly emerged from the questionnaires and combined with those from our participants in the longitudinal study were noted and crosschecked by means of two independent analyses of recurring sentiments. These were selected independently and then cross-checked. Quotes that best typified responses were then selected. This approach was taken to increase the likelihood of obtaining typical responses and cross-checking and calibration occurred to ensure better standards of inter-judge reliability.

Findings

Organizational rewards and responsibilities

Several themes emerge from the ethnographic survey, which were shared by both organizations. The common themes were a distrust of appraisal and performance-related pay and a belief that there was an inequity of treatment between high and low producers centring on arbitrary standards of discipline. Most participants were strongly against being rated for performance-related pay, even some that received it. In almost all cases the phrase "it's not fair" was used. Some participants also referred to training opportunities as being given or withheld by managers, very often as a "grace or favour". There was resentment that rewards were being given at times to the undeserving.

Representative questionnaire and study sample comments included the following:

- "It seems the harder you work and the better you are the more you are asked to do".
- "I would like to see rewards for the workers, some of us work very hard others are having a laugh but nothing is done".
- "Appraisal wastes our time, there is favouritism and there are no rewards for high performers".
- "We link performance related pay to appraisal it does not work".
- "Equity-It's a joke".
- "It is the blue eyed boys who get the promotions".
- "There are people here who are getting money for old rope".

Perceptions of procedures

A large proportion of those interviewed were cynical about appraisal and although they believed that in an ideal world it could be a useful and positive experience, in reality it was often "no more than a tick box exercise" and was not carried out in a fair

and systematic way. Many expressed a belief that appraisal was often about “whether your face fitted” and that there had been abuse of procedures “We know it”. Many managers responsible for administering the performance-related pay systems found procedures unrealistic and complicated and resented time spent on “paper exercises which have very little impact on the performance of people”.

The unions were critical of the process and procedures. “It is not objective”. It was not taken seriously and was open to abuse. “It is never going to be objective”. There seemed to be no fair system or structure. The union were not optimistic that this could ever happen. Appraisal was also described as “management driven”. They were not always carried out. Appraisal was seen as imposed, piecemeal and subjective without a consistent approach. “We are cynical and so are the workers”.

Employee Questionnaire comments on procedures included the following:

- “There are no follow ups on our reviews to review progress”
- “Too subjective- it is about if your face fits”.
- “It is very subjective and there are no specific objectives”.
- “Our managers do not know us. Many do not even work on this site. How can they know how we are performing?”.
- “We are making people redundant and it is not the poor performers who are going”.
- “Appraisal is our personal development interview but then nothing is done”.
- “I do not believe there is a proper and accurate way to measure staff individual performance”.
- “Not everyone gets an appraisal; we need to apply the rules”.

Rhetoric and reality

Employees expressed concern about differences between espoused theory and theory in use.

Both organizations in the survey had strong union memberships representing over 75 per cent of the workforce. Union officers from both organizations were interviewed using the same semi-structured format experienced by other participants.

There was a strongly held view from all Union officers that there were hidden agendas for the use of appraisal as other purposes this was evidenced from the use of yearly reviews by one of the organizations creating a matrix for redundancy purposes.

Management messages of equity, development and trust were at odds with employee perceptions of unfair and at times unethical behaviour. Appraisal was seen as “management driven”. Issues of discrimination were cited: “We are aware of individuals not being treated fairly as others”. Some managers were perceived as being more subjective than others.

In all our samples and studies there was a widespread perception of inequity operating for some at the personal discretion of managers. This system was seen as being widely open to abuse but had never seemed to be tackled by senior management.

Employees were particularly cynical about the mixed messages sent by all organizations sampled. The following comment is typical: “Empowerment – that’s a joke, we have a boss who could write a good essay on motivation but he can’t do it”.

Content analysis showed a marked emphasis on the tension between the espoused theory of fairness and perceptions of inequality, inconsistency and subjectivity.

Tensions between control and development

Tensions between managerialism and employee development were evident in all samples.

Any personal development initiative was seen by both unions and employees in principle as positive but often “does not work, there is a lack of encouragement and it is dependent on the individual’s manager’s interest in personal development”. Again there was a perception of inequity operating for some at the personal discretion of managers. This system was seen as being widely open to abuse. Unions regarded

appraisal as a control mechanism and not always a developmental mechanism. “We know of examples of appraisals where individuals have been taken down the disciplinary route”.

Both employees and managers saw personal and organizational development as being desirable but many saw it as a flawed process and not residing within an integrated HR strategy. “Performance related pay will only be effective if individuals have the back-up of the company in terms of training, advice and understanding [y] Too much pressure will have long-term degradation of quality and quantity. The individual with pride in their work will become frustrated and stressed. As a result the company is losing quality personnel with an exponential negative knock on effect”.

The differences between organizations were not significant, although participants from organization A, whilst critical of some aspects of personal development, acknowledged the existence of a system that was having some impact and the majority saw it as a positive experience with some benefits; a few, however, did think it raised too many expectations. Improvements in training and support were also mentioned as were beliefs in the value of team working. The personnel section in both organizations came in for criticism for not understanding the nature of the job and not appearing to care for the workforce in general.

Some participants in organization B were highly critical of the lack of training and training opportunities and some participants commented about these being given as rewards and withheld as punishments.

Summary of findings

The findings indicate that differences in organizational rewards and burdens are attributable, at least in part, to appraisals. There is a clear perception that this is the case and sufficient evidence, by way of specific examples, to confirm this.

The outcomes resulting from appraisal are seen as unfair and the procedures as seriously flawed. Although many respondents believe that appraisals could be useful, procedural difficulties and a lack of objectivity mean that this is rarely the case in practice.

There is an immense and pervasive presence of the notion of equity. Every person, whether in interview, conversation or survey mentioned fairness without being prompted.

In the views of both managers and employees, there is a disjunction between senior management messages about openness and trust and widespread evidence of inequity and bias.

Both managers and employees believed that unfair procedures and practice were demotivating and did have a negative effect on sustaining performance.

Tensions between appraisal as performance management and appraisal as personal development are evident and reinforce concerns that the two objectives are incompatible and likely to have a negative impact on effective performance management.

Discussion

This research examines appraisal through the lens of organizational justice. It confirms previous research about procedural difficulties contributing to ineffectual systems (Geary, 1992; Grint, 1993), but goes further than that in linking perceptions of unfairness in both procedures and outcomes (Folger and Bies, 1989) to performance management, which does little to enhance organizational effectiveness (Cook and Crossman, 2004; Greenberg, 2006). We argue that the conflict of objectives inherent in many appraisal systems (Armstrong and Baron, 2005; Prowse and Prowse, 2009) is a major source of perceived unfairness. Literature confirms the place of equity theory in motivational studies but does not emphasize the seminal importance it seems to play in the area of performance management and measurement.

Development-led appraisals are more likely to be conducted in an atmosphere of trust and openness if rewards and burdens are not dependent on them. Reward-led systems are more likely to be conducted less objectively by the appraiser and more defensively by the appraisee as pay and promotion or disciplinary and capability

procedures may result.

Paradoxically, the greater the emphasis on performance management in appraisals, the less effective the management of performance is likely to be (Rowland and Hall, 2010). The possibility of rewards and punishments is not conducive to candour; mistrust and suspicion can arise. Where appraisees perceive the procedures and/or outcomes to be unfair, resigned compliance may ensue rather than positive engagement. The motivation and well-being necessary for a productive and sustainable behavioural framework is damaged and may prove irreparable (CIPD, 2012). Organizations rely increasingly on discretionary effort for sustained competitive advantage. Pushing the accelerator down may inhibit rather than increase such discretionary effort.

Many theorists and practitioners and most of our respondents agree that some mechanism to evaluate the contribution of individuals and teams is essential to manage organizational performance. The alternative may be unthinkable. Procedures can be improved and training take place to minimize favouritism and bias. However, this will never entirely remove perceptions of unfairness.

If developmental aspects of appraisal were to be separated from reward-led aspects, this might help. It could be achieved through a mentorship scheme, leaving line managers free to manage day-to-day performance, perhaps through a more regular and less ritualistic mechanism than the annual appraisal. Personal development does lead, in many cases, to enhanced commitment and discretionary effort and, indirectly, to enhanced organizational performance. Coupling this with judgements leading to rewards or punishments undermines that likelihood.

Conclusions

If appraisal is to contribute to organizational effectiveness, then organizations need to understand why appraisals are taking place and how they fit with organizational philosophy, culture and strategy. As competitive advantage does, increasingly, depend on employee engagement and the harnessing of discretionary effort, these need to be reflected in performance management frameworks and the climate in which appraisals are conducted. Appraisals cast a light on organizational values and how these reflect the values of the wider society. Our research shows that it is helpful to examine appraisal through the lens of organizational justice concepts and wider ethical frameworks, which has not previously been extensively considered. Perceptions of inequity have a powerful impact on commitment and performance. Organizations, if they are to be competitive, need to develop sustainable strategies, which are responsive to changes in an increasingly turbulent environment. Not least, because engagement and discretionary effort have become a central focus of performance improvement, sustainable HR strategies have a critical role in underpinning and driving organizational strategy. Societal concerns about business ethics and justice, reflected in the actions of organizations, mean that ideas of fairness will play an important role in shaping the planned ethos and culture of organizations. Competitive advantage is likely to be sustainable in those organizations which develop people management strategies, which are demonstrably just and pay more than lip service to the well-being of the employee.

Although the research covers a period of ten years with substantial numbers of respondents and a range of data collection methods, it is nonetheless limited. Successive cohorts of managers on academic development programmes may have been tempted to say what they believed the researchers wanted to hear. The two organizations selected were in the same industry and in the same part of the country. The research was solely carried out in the UK. Wider surveys and purposive sampling of organizations with differing approaches to managing performance and developing people would help to reinforce these findings. This will contribute to theoretical understanding of strategic approaches to human resource management and further enhance practice. In accepting and building upon the conclusions of several decades of both sound theoretical and empirical research business practitioners may find solutions to many of the challenges of

sustainable performance.

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