A Motivational Approach to Reconstructing Performance Management Systems

SinHui Chong
Michigan State University
[redacted]

Executive Summary

Performance management is an organizational mechanism made up of various HR components functioning interactively to regulate employee performance *continually* for organizational excellence. Research has demonstrated robust and positive links between a well-designed and well-implemented performance management system and important outcomes like employee attitudes and behaviors, and organizational financial and operational performance. However, organizations often mistakenly view performance management as *discrete* performance rating exercises detached from important HR functions such as training and development. When that happens, they encounter the following problems that prevent them from yielding the potential benefits of performance management systems.

1) **Relying on only subjective performance measures:** The presence of rater bias causes employees to view performance ratings as unfair. This reduces employees' receptivity to feedback and their motivation to improve.
2) **Detaching performance appraisals from development:** Employees are often not given concrete suggestions and developmental opportunities to help them overcome their weaknesses, leaving them dejected and frustrated after performance reviews.
3) **Failure to evaluate success of performance management systems:** This leads to ambiguity about the effectiveness of performance management systems, resulting in great difficulty obtaining management support for them.

These problems cause the management, supervisors, and employees to view performance management systems as administrative formalities that are demotivating and time-wasting, and downright defeats the motivational effects intended by performance management systems. Responding to this, this paper proposes a framework that will guide HR practitioners in designing and executing performance management systems effectively. Specifically, the paper

adopts a motivational approach, by applying validated research findings from employee motivation research, to rectify existing problems in performance management systems. The proposed model is made up of the following integrative and mutually reinforcing components.

1) **Enhancing goal setting by bringing in employees' career objectives**: This makes employees feel valued as individuals, and increases their commitment to their performance goals and the organization.
2) **Using objective performance measures to supplement existing subjective measures:** This overcomes the problem of rater bias, and offers a more impartial and comprehensive evaluation of employees' performance. It also allows performance to be documented more effectively.
3) **Framing performance feedback constructively and providing developmental opportunities:** This prevents employees from feeling resistant and helpless after receiving negative feedback. The appropriate organizational support also ensures that employees are able to correct their deficiencies quickly.
4) **Offering valued rewards to reinforce good performers:** By allowing employees some flexibility in choosing the incentives they want, this recommendation aims to increase employees' motivation to continually strive for excellence.

The paper explains the theoretical bases and the advantages associated with each recommendation, gives examples on how they can be applied, before addressing plausible limitations and concerns. More importantly, the paper emphasizes how these components complement each other, and have to be administered integratively in order to create a fair, developmental, and motivational performance management system that will benefit both employees and organizations.

Introduction

> *"Regardless of industry, the success of a corporation hinges in large part on hiring high-performing individuals, bringing passion and commitment to the job, and on building a company culture that keeps them."*
>
> − Carlos Brito (2010), CEO of AB Inbev

Anheuser-Busch Inbev is the world's largest beer marketer, with revenue of $43.2 billion in 2013 and more than 150,000 employees worldwide. The above quote by its CEO, Carlos Brito, highlights two important factors for a successful business. One, employees have to be passionate and committed to perform well at work. Two, the organization plays a role in eliciting such attitudes and behaviors in employees. Indeed, many organizations share that sentiment, and have put in place performance management systems to regulate and improve employees' performance for organizational excellence (Gruman & Saks, 2011).

Much research has demonstrated that a well-designed and well-implemented performance system has the potential to benefit both employees and the organization tremendously. For example, Kehoe and Wright (2013) found that a performance management system of mutually reinforcing HR practices was able to trigger positive attitudes and behaviors in employees such as more helping behavior, higher organizational commitment, and greater intent to remain with the organization. Several studies went beyond employees' attitudes and performance, and revealed that integrated performance management systems positively and robustly predicted firms' operational and financial performance (Becker & Gerhart, 1996; Combs, et al., 2006). These consistently positive findings attest to the value of well-designed and well-implemented performance management systems.

However, many organizations have expressed their struggles with designing and operationalizing performance management systems effectively. In particular, many organizations have encountered immense difficulty with measuring employee performance accurately and reliably. This causes employees to view performance ratings as unfair and unconvincing, thus losing the motivation to improve on their performance after performance reviews. In addition, many organizations and employees erroneously view performance management as a mere performance rating exercise detached from other HR functions such as training and development, and career planning. Consequently, employees are oblivious to the benefits of performance management and see it as a stressful and worthless administrative chore. Lastly, organizations often have no idea how to evaluate the effectiveness of their performance management systems. This leads to ambiguity about whether performance management systems are indeed working and bringing in results for the organization, causing great difficulty soliciting management support for performance management systems.

These anecdotal issues raised by organizations highlight the need to clarify how to design and implement performance management systems in an effective way that minimizes the above problems and that reaps optimal outcomes. In response to this call, this paper proposes a motivational approach to reconstruct performance management systems. Specifically, the paper draws on findings in employee motivation research to put together an integrated performance management system that is expected to be fair and developmental on the employee-level, and that will help support sustainable performance on the organizational level. It should be noted that the aim of this paper is not to propose radical changes to completely revolutionize the current performance management paradigm. Instead, it aims to employ the scientist-practitioner approach, and to apply validated research findings resourcefully to remedy existing problems in performance management systems. This ensures originality of the proposed system without compromising on its scientific validity and practical feasibility.

This paper begins by describing the goals and functions of management performance system, before discussing common mistakes organizations commit when operating their performance management systems. Next, it recommends a motivation-based performance management system, and explains its advantages using relatable examples. Finally, it proposes how to assess the effectiveness of the system before evaluating its originality and concluding.

Functions and Goals of Performance Management Systems

Performance management refers to an *ongoing* organizational process that measures and regulates employee performance, optimally by strategically aligning employee performance with organizational goals (Aguinis, 2009). As highlighted by Aguinis (2009), performance management encompasses several *integrative and mutually reinforcing HR practices* such as job analysis and design, performance appraisal, training and development, compensation and benefits, etc. These HR practices work in tandem to define job scopes in the organization, set work expectations, measure and monitor performance accurately and continually, reward good performance, and provide developmental opportunities to close up any skill gaps (Broadbent & Laughlin, 2009). Essentially, a performance management system increases employees' awareness of their skills and abilities; empowers employees to continually improve their performance; and motivates them to do so. Ultimately, outstanding employee performance forms the basis for better organizational decisions and outcomes (Becker & Gerhart, 1996).

Unfortunately, many organizations have confused the concept of *performance management* with *performance appraisal* (Aguinis, Joo, & Gottfredson, 2011). Performance appraisal refers to the *discrete* exercise, usually conducted once a year, where supervisors rate their employees' performance. It can be a component of performance management systems, but is certainly inadequate on its own to reflect the *continuous and integrative* processes of performance management systems. When organizations have this erroneous conception, they are more likely to commit some common mistakes that prevent them from harvesting the benefits that effective performance management systems can potentially bring. The following section discusses these mistakes and their detrimental implications on organizations.

What Organizations are Doing Wrongly

Relying on Subjective Sources for Performance Ratings

The first problem is associated with using subjective performance measures. Performance appraisals are usually conducted by supervisors, and performance ratings can change drastically across supervisors due to rater bias. This leads to little or no interrater reliability in the performance ratings. Early research in organizational psychology has shown that training managers how to rate performance can help reduce rater bias problems (Latham, Wexley, & Pursell, 1975). However, over the past decades, the problem of rater bias continues to bug performance management systems, suggesting that bias may be something that occurs below the awareness level of raters, and is probably impossible to eliminate. Some organizations attempt to overcome this problem by using 360-degree performance appraisals where performance ratings are obtained from multiple raters such as the supervisor, peers, and customers. While this method serves to reduce reliance on only one rater, it offers no means of finding out which rating is the most accurate when the ratings do not converge. In sum, the high degree of subjectivity involved in measuring performance causes employees to perceive these subjective ratings as unfair evaluations (Rothstein, 1990). This makes them doubtful of and resistant to performance feedback provided to them based on these ratings.

Myopic Framing of Performance Feedback

Furthermore, many organizations provide employees with their performance ratings only once at the end of the year. This infrequency of feedback provision signifies a severely lagged reinforcement of good performance and a late identification of poor performance, so there is little wonder why employees see performance appraisals as a formality rather than a way to monitor and regulate their performance. In addition, feedback is often framed to be either positive or negative. It has been observed that employees who receive positive feedback stay contented and stagnant, while those who receive negative feedback often feel unhappy and disheartened with no idea how to improve their future performance, ending up with a downward spiral of future performance (Kluger & DeNisi, 1996). Lastly, due to appraisals being conducted only once a year and having implications on administrative decisions such as promotions or wage increments, employees become extremely obsessed with obtaining good ratings and neglect the developmental aspect of performance ratings.

Detaching Performance Appraisal from Other HR Functions

Extending the above point, the most fatal mistake committed by organizations is none other than detaching appraisal exercises from other HR or organizational functions such as training and development programs or reward structures. Specifically, research has illustrated that performance feedback should always be accompanied by additional organizational support, such as coaching, skills development opportunities, and appropriate rewards, in order for employees to be motivated to use the feedback for regulating their future performance (Duchaine, Jolivette, & Fredrick, 2011; Hillman, Schwandt, & Bartz, 1990) . Therefore, not drawing clear links between performance ratings and other HR functions, such as training and development or rewards, causes employees to invest little or no thought into the significance and implications of these ratings, discharging the valuable information inherent in the performance feedback.

Summing the above points, supervisors and employees often find performance management as superfluous and meaningless, and see it as a complete waste of time (Aguinis, et al., 2011). Such a trend signals for interventions to be taken immediately to rectify the above mistakes for an effective implementation of performance management systems. In the following sections, this paper makes recommendations on how to refine performance management based on findings from employee motivation research.

A Motivational Approach to Performance Management Systems

The motivational approach to reconstruct performance management systems proposed by this paper focuses on empowering and motivating employees to act and to take ownership of their own performance regulation through facilitating communication and cooperation between the management, supervisors, and employees, and improving the social structure of performance management systems. Specifically, this paper recommends doing so by enhancing goal setting processes by bringing in employees' career objectives, using objective performance measures to supplement existing subjective measures, framing performance feedback constructively, and finally, customizing appropriate rewards and development opportunities for employees based on their performance. The figure below shows the proposed system. It should be noted that the system is meant to be an integrated model where all the components mutually reinforce one another. In the following paragraphs, this paper explains each component.

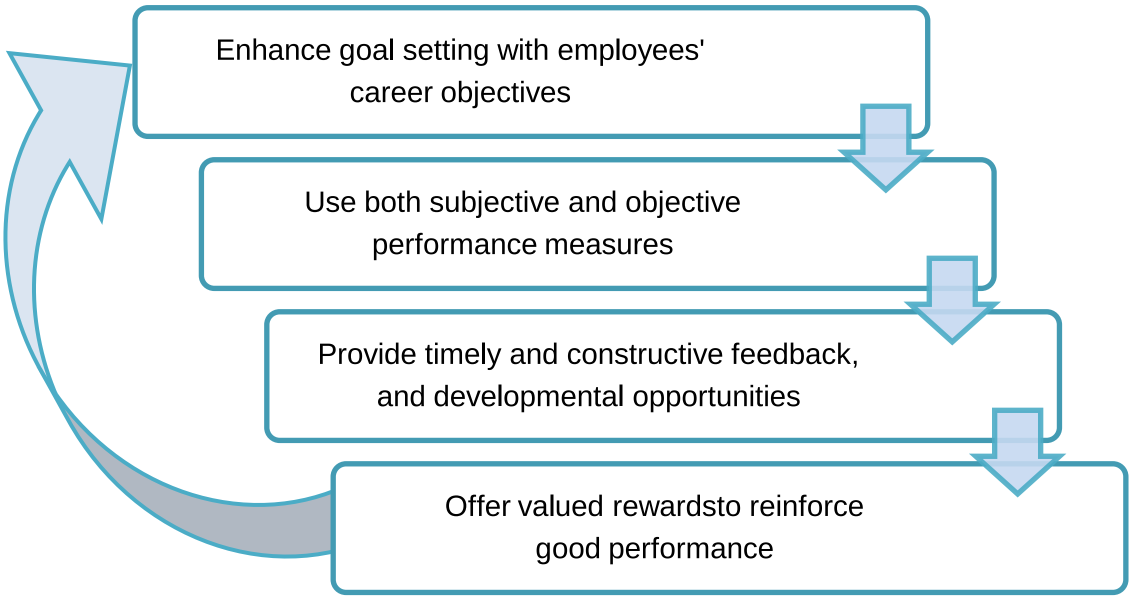

Figure 1. Recommended integrative performance management system.

Enhancing Goal Setting With Employees' Career Objectives

In the first step, organizations should seek to refine the goal setting process to ensure greater commitment to the goals on the employees' part. A major problem associated with performance management is employees' lack of commitment and motivation to pursue their goals. There are several factors that influence how much people care about their goals. For one, it could be because employees do not see what is in it for *themselves* if they perform well (Aguinis, et al., 2011). Therefore, one way to improve employees' commitment to their goals is to encourage them to keep their own career objectives in mind when setting performance goals. This enables employees to identify what they hope to achieve for themselves and reflect on how they can achieve these ambitions in the organization. This helps to align employees' personal goals strategically with the organizational goals. Doing so also prompts a long-term orientation in employees when they set their goals. With a long-term goal in mind, employees may be more interested in receiving feedback to monitor their progress, and more energized to use the feedback to continually strive towards their goals. Additionally, incorporating employees' career objectives into their performance management conveys to employees that the organization values their individual career goals. This is expected to increase employees' satisfaction and also commitment to the organization and the performance management system.

In a related vein, during goal setting, employees should be encouraged to set both outcome and behavior goals. Specifically, outcome goals refer to the results they hope to attain (i.e., to make $20,000 in sales revenue) while behavior goals refer to action plans for achieving the outcomes (i.e., to make 50 cold calls to potential customers per day). Doing so stimulate employees to ponder over concrete actions they can take to reach their desired goals (Aguinis, et al., 2011), and eases the process of goal pursuit. The example below illustrates how to incorporate this recommendation in performance management systems.

Example. Anne entered the organization as an entry-level HR generalist. She hopes to become a manager in the Training and Development branch within six years. In that case, Anne's supervisor should encourage her to think about the actions and results she should achieve each year in the next six years and to set her goals accordingly. For example, Anne should aim to take on more tasks that will expose her to the Training and Development function such as helping out in training workshops in her first year, and to be part of an organizing committee of a training workshop in her second year, and so on. Setting incremental and concrete goals helps Anne pave her career path in the organization and understand how she can integrate her personal goals into the larger organizational context.

Limitations. Nevertheless, this paper acknowledges that incorporating individual career objectives into goal setting processes requires great integration within the organization if everyone's career objectives have to be catered to. Some may even believe it will strip the control that the organization has over employees' performance goals. However, this paper is not rallying for placing employees' self interests on top of organizational interests. Instead, it is advocating for a greater alignment of individual goals with organizational goals. More importantly, doing so enables the organization to become aware what employees are interested in and where they want to be at an early stage, which actually enhances succession planning in the long run.

Using Objective Performance Measures to Supplement Subjective Measures

The next step in the proposed model addresses the problems associated with using subjective performance measures. Perceptions of unfairness often stem from the fact that performance ratings are dependent on one or more subjective sources (e.g., the supervisors, peers, or clients). Put simply, everyone wears tinted glasses and chooses what they see and remember. As discussed earlier, having multiple raters, such as in 360-degreee appraisals, may lend reliability to the measure if the ratings converge, but does nothing to verify which rating is the most accurate when the ratings diverge. Therefore, to overcome the problem of rater bias, this paper advocates supplementing subjective performance ratings with *objective performance measures*. Objective measures refer to tangible and measurable behaviors or outcomes (Bommer, Johnson, Rich, Podsakoff, & MacKenzie, 1995), such as the sales figure of a salesperson, and the average amount of time a customer service staff takes to close an inquiry case.

There are several advantages associated with objective measures. First and foremost, objective measures are free of bias since it does not involve human judgments. This increases how fair the measures are perceived to be, and enhances employees' acceptance of their performance results. Second, objective measures reduce the ambiguity associated with interpreting the performance results. This resolves the problem of fluctuating performance scores due to changes in supervisors. It also enables agents beyond the supervisor-employee dyad, such as the HR department, to compare the performance results of employees with different supervisors, and to use the results to plan training and development programs. Third, objective measures also allow easier comparison of an employee’s performance across two time points to check if the employee has improved from the previous performance cycle. For example, a supervisor may rate a salesperson 5 out of 5 for two consecutive years, which suggests that the performance of the salesperson is constant. However, the objective sales figure may indicate an improvement in the salesperson’s performance from the previous year. In this case, objective performance measures serves to supply concrete additional information in the evaluation of employees’ performance. Finally, if subjective measures are supplemented with objective measures, discrepancies in the two measures can act as a signal for HR, supervisors, and employees to think about reasons for discrepancies, e.g., rater bias, and allow them to take preventive measures to avoid future divergence, such as training supervisors on how to rate employees more impartially. The paragraph below provides examples of how to use objective measures in addition to subjective measures when assessing employees’ performance.

Example. Consider the examples of a salesperson and an HR employee responsible for processing the monthly payroll. A subjective performance measure for both positions may involve obtaining the supervisor’s numerical ratings on several questions such as, “*How well did this employee perform in the area of (inserts domain) in the past 12 months?*” On the other hand, an objective performance measure for the salesperson will be his sales figure for a specific period. For the HR employee, an objective measures may refer to the amount of time he or she takes to complete the payroll accounts or the number of errors he or she commits in each payroll cycle.

Limitations. Despite its benefits, some may be concerned with the feasibility of coming up with objective measures for all positions in an organization. This worry is mainly undue. This is because objective measures can be translated directly from job analyses that are usually already available in organizations, as illustrated by the examples of the salesperson and HR employee above. In addition, the organization can choose to have multiple objective measures per position to obtain a more accurate overall objective performance measure. In fact, using objective measures enables employees to become more aware of who their stakeholders are, and specific behaviors that they are evaluated on, thus offering greater clarity on how to improve their performance and achieve their performance goals. Some may also fear that objective measures can also be inaccurate if they are tinted by uncontrollable external factors such as economic conditions or personal issues like family obligations. This paper acknowledges that such external conditions do indeed affect performance and are not easily taken into account in objective measures. However, the paper is not advocating completely replacing subjective measures with objective measures. In this case, subjective measures can continue capturing such nuances that affect performance. Therefore, using both subjective and objective measures certainly enables organizations to have a more comprehensive evaluation of employees' performance.

Providing Timely and Constructive Feedback, and Developmental Opportunities

Now that this paper has discussed how performance can be more accurately measured by using both subjective and objective measures, it is important to note that it is equally important to be able to provide performance feedback to employees timely, tactfully, and constructively in order to motivate them to use the feedback for performance regulation. Performance feedback should be provided as immediately and frequently as possible because research has shown that immediate feedback enables individuals to retain and transfer learning more effectively than delayed feedback because (Dihoff, Brosvic, Epstein, & Cook, 2004). Also, research has shown that people who receive negative feedback often show lower self esteem, and have the tendency to withdraw from the task and end up with worse future performance (Kluger & DeNisi, 1996). This highlights the need to frame negative feedback in a way that focuses employees' attention on how to improve their performance instead of making them feel embarrassed, angry, or upset. Specifically, this means that supervisors should not merely articulate employees' strengths or weaknesses, but also discuss with employees how they can keep up with their good work or correct their shortcomings. To prevent damage to the self-esteem of poor performers, supervisors should also suggest exact actions that can be taken to improve their performance. This will increase employees' belief in their ability to overcome their weaknesses. This also suggests the need for supervisors to work closely with HR practitioners to find out more about available developmental opportunities so that relevant information can be provided to employees during their performance reviews.

In addition, while this paper is not against providing normative feedback (i.e., feedback that compares an employee to his or her peers), it suggests doing so cautiously. Normative feedback has been shown to be helpful for getting people to conform to social norms such as safe drinking and green behavior (Lewis & Neighbors, 2006; Schultz, 1999), but it can also easily trigger feelings of unfairness and insecurity when employees are evaluated against their peers instead of an objective yardstick. Therefore, if normative feedback has to be used, supervisors should encourage employees to pick up the strengths of their peers so as to improve their own performance, instead of encouraging them to beat their peers. The example below sums up how to appropriately frame and provide feedback.

Example. Jared is an auditor in an accounting firm. His job involves auditing accounts and reporting his findings to external clients. While Jared does an excellent job in auditing the accounts, he tends to give poor presentations to his clients. During his performance review, Jared's supervisor commends him on his auditing skills by showing him error reports generated by the computer system (objective measure) and also his clients' ratings on his audit files (subjective measure). Next, the supervisor goes on to tell him that he may need to improve on his presentation skills because clients have expressed that he tends to use too much jargon that the clients do not understand during his presentations. The supervisor does not stop at that. Instead, he reassures Jared that presentation skill is an area that can be improved once Jared invests effort into it. He then recommends some websites that provide tips on how to present well. He also furnishes Jared with a list of courses on presentation skills that their HR department is offering in the next couple of months, and encourages Jared to sign up for one of the courses.

Limitations. It is not always easy to frame feedback constructively, and few people are naturally diplomatic. Therefore, if an organization hopes to exploit the motivational effect of performance feedback, it is necessary to train supervisors how to give feedback appropriately. While little research has been done on feedback training in the organizational context, research in the medical field has demonstrated that doctors who have received training on how to frame information tactfully cause less distress to patients and their family. Applying this to the context of organizations, managers can also be trained to convey negative feedback constructively. Next, supervisors and HR practitioners may also wonder about the feasibility of providing feedback immediately and frequently. Frankly, this may pose greater administrative pressure on supervisors and HR department in organizations using subjective performance measures because it means supervisors need to spend more time evaluating their employees' performance while the HR has to spend more time coordinating such exercises. However, this problem can be moderated with the use of objective measures. In particular, objective measures are often documented electronically, i.e., sales figure or time taken to respond to an email. This means that it will be easier for both supervisors and employees to retrieve their performance results, allowing feedback to be provided more immediately and frequently.

Offering Valued Rewards to Reinforce Performance

Finally, after refining the goal setting, performance measure, and feedback provision processes, organizations should also bear in mind the importance of providing valued rewards to reinforce good performance. According to Vroom's (1964) theory of motivation, how much employees are motivated to perform well depends largely on the extent to which they value the rewards associated with performing well. If employees do not value the rewards of performing well, such as a promotion or wage increment, they will be indifferent to their goals and performance feedback. This implies that organizations should exercise flexibility when designing their compensation and benefits packages. Ideally, employees should have a say in the types of rewards they receive to ensure that they value these rewards. This does not mean revamping existing compensation structures. Instead, it campaigns for having some leeway in allowing employees to pick and match their own incentives from existing benefits that the organization offers. Doing so has several benefits. One, it increases employees' satisfaction with the rewards they receive for performing well, thus increasing their motivation to further improve on their performance. Two, it makes employees feel more valued when incentives can be personalized to a certain extent. This increases their commitment to the organization, and they will work harder to remain in the organization. Consider the cases of Joanne and Marie below.

Example. Joanne and Marie are both employees in the IT department in an MNC. Joanne is single while Marie is married with a toddler. Both of them have obtained excellent performance results and are entitled to equivalent benefits. The organization allows them some flexibility in designing the basket of benefits they want besides their basic salary package. Marie chooses to have more work-from-home days to allow her to spend more time with her child. On the other hand, Joanne chooses to cash out her unused annual leave so she can save up for a house more quickly. Both Joanne and Marie are pleased with how they can customize their benefits.

Limitations. This proposition may possibly be unpopular among HR practitioners because it reduces uniformity in benefits across employees and introduces more administrative responsibilities for the HR department when processing payroll. However, it should be noted that this paper is not calling for a total customization of reward packages for each employee. Instead, it proposes providing good performers with an additional basket of flexible benefits *beyond the basic salary package*. Returning to the above example of Joanne and Marie, there will be no changes to their basic remuneration packages (i.e., their monthly wages), what they are getting is merely an extra right to choose additional benefits that they value (i.e., work-from-home days or cashing out of annual leave). Also, most of the benefits in the flexible basket (i.e., work-from-home days, flexi work hours, cashing out annual leave, etc) are actually already offered by most organizations, albeit without any freedom to match these benefits. So, why not enhance the motivational effects of these benefits further by allowing employees to exercise some autonomy in picking the rewards they value? The motivational benefits brought from doing so will probably exceed the associated administrative costs.

An Integrative Model

Finally, it should be noted that the above recommendations are meant to be implemented integratively despite being structured in separate paragraphs for coherent presentation. Specifically, performance management is an *ongoing* process of mutually reinforcing practices that help to regulate employee performance, so each component is almost meaningless if implemented in isolation of the other components. As illustrated by Figure 1 (pp. 9), these components work in a cyclical manner. At the final stage after employees receive rewards they cherish, they will become more committed to the organization and set greater performance goals again, and the cycle repeats. Therefore, organizations should acknowledge and stay committed to implementing the entire integrative system of recommendations in order to yield the best results from this proposed performance management system.

Assessing Effectiveness of Proposed System (1/2 page)

To assess the effectiveness of the recommended system, organizations can utilize the framework by Kirkpatrick (1975). This framework measures four dimensions- *reaction, learning, behavior,* and *results* to evaluate the success of an intervention. Since the goals of the recommended system are to empower and motivate employees to performance better, and to facilitate communication and cooperation between the management, supervisors, and employees, organizations can consider measuring the following variables on each dimension.

Reaction. This dimension appraises how receptive employees are towards this new system. Organizations can administer surveys that ask employees questions such as, but not limited to: 1) I am motivated to do better on my job after the performance review; 2) My supervisor/reviewer provided constructive feedback on my performance, such as how I can continually expand my strengths and how I can overcome my weaknesses; 3) After this review, I am aware of how to improve my performance; 4) After this review, I am aware of the implications my performance has on the organization; 5) This performance management system enables and empowers me to regulate my performance effectively.

Learning. This dimension assesses if employees are applying the feedback they obtained to improve their performance. Supervisors can check if employees are setting concrete behavior and result goals that reflect an intention to overcome their shortcomings instead of withdrawing from the task. This dimension can also be assessed by employees’ activeness in seeking out developmental opportunities and future feedback.

Behavior. This refers to employees’ subjective and objective performance ratings in the next performance review. The ratings are expected to increase if the system indeed motivates employees to perform to their maximum potentials.

Results. Finally, employees’ individual performance should translate into better unit-level performance, and in turn, better organizational performance. This involves examining distal results such as the unit’s and organization’s operational and financial performance.

Conclusion

Returning to Brito’s statement in the opening paragraph, an organization is able to design and operate an effective performance management system to bring out employees’ passion and commitment to perform well. In response to that, this paper proposes a motivational approach to reconstruct existing performance management systems, with the focus on empowering and motivating employees to regulate their performance through facilitating communication and cooperation within the organization. This paper acknowledges that the recommended system is not a one-size-fits-all solution that can be applied indiscriminately to all organizations, and organizations should always examine their unique characteristics and further customize the system to suit their organizational climates. Finally, this paper establishes its originality not by proposing radical changes to performance management systems, but by constructing a novel framework to guide HR practitioners using validated research findings that are able to address existing problems effectively. This scientist-practitioner approach ensures the validity of the recommended system while preserving its practical feasibility.

References

Aguinis, H. (2009). *Performance management* (2nd ed.). Upper Saddle River, NJ: Pearson Prentice Hall.

Aguinis, H., Joo, H., & Gottfredson, R. K. (2011). Why we hate performance management—And why we should love it. *Business Horizons, 54*(6), 503-507.

Becker, B., & Gerhart, B. (1996). The impact of human resource management on organizational performance: Progress and prospects. *Academy of Management Journal, 39*(4), 779-801.

Bommer, W. H., Johnson, J. L., Rich, G. A., Podsakoff, P. M., & MacKenzie, S. B. (1995). On the interchangeability of objective and subjective measures of employee performance: A meta-analysis. *Personnel Psychology, 48*(3), 587-605.

Broadbent, J., & Laughlin, R. (2009). Performance management systems: A conceptual model. *Management Accounting Research, 20*(4), 283-295.

Combs, J., Liu, Y., Hall, A., & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance. *Personnel Psychology*, *59*(3), 501-528.

Dihoff, R. E., Brosvic, G. M., Epstein, M. L., & Cook, M. J. (2004). Provision of feedback during preparation for academic testing: Learning is enhanced by immediate but not delayed feedback. *Psychological Record, 54*(2), 207-232.

Duchaine, E. L., Jolivette, K., & Fredrick, L. D. (2011). The effect of teacher coaching with performance feedback on behavior-specific praise in inclusion classrooms. *Education and Treatment of Children, 34*(2), 209-227.

Gruman, J. A., & Saks, A. M. (2011). Performance management and employee engagement. *Human Resource Management Review*, *21*(2), 123-136.

Hillman, L. W., Schwandt, D. R., & Bartz, D. E. (1990). Enhancing staff members' performance through feedback and coaching. *Journal of Management Development*, *9*(3), 20-27.

Kehoe, R. R., & Wright, P. M. (2013). The impact of high-performance human resource practices on employees' attitudes and behaviors. *Journal of Management, 39*(2), 366-391.

Kirkpatrick, D. L. (1975). Techniques for evaluating training programs. In D. L. Kirkpatrick (Ed.), *Evaluating training programs*. Alexandria, VA: ASTD.

Kluger, A. N., & DeNisi, A. (1996). The effects of feedback interventions on performance: A historical review, a meta-analysis, and a preliminary feedback intervention theory. *Psychological Bulletin, 119*(2), 254-284.

Latham, G. P., Wexley, K. N., & Pursell, E. D. (1975). Training managers to minimize rating errors in the observation of behavior. *Journal of Applied Psychology, 60*(5), 550-555.

Lewis, M. A., & Neighbors, C. (2006). Social norms approaches using descriptive drinking norms education: A review of the research on personalized normative feedback. *Journal of American College Health*, *54*(4), 213-218.

Rothstein, H. R. (1990). Interrater reliability of job performance ratings: Growth to asymptote level with increasing opportunity to observe. *Journal of Applied Psychology*, *75*(3), 322-327.

Schultz, P. W. (1999). Changing behavior with normative feedback interventions: A field experiment on curbside recycling. *Basic and Applied Social Psychology, 21*(1), 25-36.

Vroom, V. H. (1964). *Work and motivation*. Oxford, England: Wiley.