

Employee Performance Management as Integrated Approach for Polish Human Resources Management

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Abstract

Performance management approach has not been widely presented in Polish literature in the field of human resources management. There is also no domestic research in this regard, on the contrary to the English language literature. The paper concentrates on employee performance management as an integrated approach to human resources management on the basis of literature review. It presents the unfolding role of PM systems in Polish HRM trends on the background of worldwide research findings.

Key words: employee performance management (EPM) system; performance appraisal (PA); employee support; measurement; human resources management (HRM); Poland.

1. Introduction

In late 1990s D. E. Guest argued that there was increasingly much evidence supporting an association between high performance or high commitment HRM practices and various measures of organizational performance¹. However, he admitted it was still not clear why this association exists. In his conclusion he argued (1) to build a rationale coherent theory about the nature of HRM practices on something like expectancy theory or rely on a statistical approach to understand the linkage between HRM practices and company performance, and (2) to understand performance much more broadly in terms of outcomes

¹ D.E. Guest, *Human resources management and performance: a review and research agenda*, "The International Journal of Human Resources Management" 1997, Vol. 8, Issue 3, pp. 263–276.

that reflect the concept of the Balance Scorecard to convince senior managers of the impact of HRM. Yet, in his very last findings, Guest² concludes that after two decades of extensive research it is still impossible to answer the core questions about the relationship between HRM and performance. However, a set of personnel actions that support the effectiveness of organizations within the High-Performance Work Systems (HPWS) can be now specified³. There are a few which concern employee performance management: employee development and their growth along with formal assessment, performance appraisal, 360 degree appraisal tool, feedback, significant share of workers in self managing their work and self-thinking, as well as significant differences in wages which depend on the performance. Anyway, Guest says there is a question of too little sample and there is a need to capture much extensive data related to HR practice, implementation, leadership, firm strategy and alike forth. One coherent and universal HRM theory may be even less beneficial than better understanding of already existing contingency or configuration theories. Nevertheless, Guest's paper traces the development in the field interestingly indicating a shift in mindset towards more and more sophisticated theoretical and research methods. In early 2000s the focus was on the key role of workers and the importance of their perceptions and behaviour in understanding the relationship between HRM and performance. The stress was put on the manner in which workers respond to HRM practices. At the moment there is a larger demand of paying attention to the manner and effectiveness with which HR practices are implemented, which generally lies in the control of line management rather than HR professionals. Furthermore, there is an increasing complexity of factors, both internal one and external (i.e. environmental conditions, marketplace, competitiveness etc.)⁴. Thus, it leads us to the conclusion that executive – subordinate relationship, which is known as employee performance management is the starting point for searching a new way of organizational effectiveness. And now, not so new term of performance management has been gaining a new meaning in terms of HRM, reaching to the very bottom of executive – subordinate relationship.

The biggest challenge facing of Polish HRM is to increase the competitiveness of companies through increased productivity and labour cost rationalizations, because labour productivity in Poland is only 60% of the average productivity

² D.E. Guest, *Human resources management and performance: still searching for some answers*, "Human Resources Management Journal" 2011, Vol. 21, Issue 1, pp.3–13.

³ H.J. Bernardin, *Human Resources Management: An Experiential Approach*, Fourth Edition, McGraw Hill International Edition 2010, p. 6.

⁴ D.E. Guest, *Human resources management...*, op. cit., 2011, pp. 3–13.

in the European Union⁵. Although most companies analyse labour costs and labour productivity, they point out the need to implement a system to improve the measurability and analysis of multiple actions in the company, such as SAP, BSC, controlling. Whereas the companies clearly indicate the need for solutions to performance management at the level of the organizational unit or the entire company, they do not pay special attention to the overall management of performance in micro scale, at the level of employee and team. Meanwhile employee performance management (EPM) is one of the levels of integrated performance management (PM). Not only the practice but actually Polish HRM literature deals with the issue in question insufficiently. Moreover, A. Poczowski indicates that PM concept has never appeared as the general HRM idea, which is contrary to English-writing literature in this regard⁶. There, PM system became the integrated approach to HRM system.

The reason for which this paper is submitted comes down to the question of two key areas: (1) indication of performance management nature in the field of HRM on the basis of literature review and (2) presenting the unfolding role of PM systems in Polish HRM trends against the background of worldwide research findings.

2. Indication of PM nature in the field of HRM on the basis of literature review

In recent years economic realities have led to the fact that organizations are not waiting any longer for external stimuli which were used to increase their efficiency, such as market growth and technological superiority. The organizations began to seek opportunities in themselves to gain competitive advantage which, consequently has led to increased interest in the concept of performance management⁷.

In world literature regarding management issues, there are many different ways of understanding of the term performance management (PM). This is the aftermath of the concept that has been developed since early 70s when M. Warren

⁵ A. Poczowski, B. Buchelt, *Trendy i problemy występujące w zarządzaniu zasobami ludzkimi w polskich przedsiębiorstwach*, „Zarządzanie Zasobami Ludzkimi” 2008, No. 1, pp. 53–68.

⁶ A. Poczowski, *Zarządzanie przez efekty jako integralna część funkcji personalnej*, „Zeszyty Naukowe AE w Krakowie” 2005, Kraków, p. 5.

⁷ T.W. Buchner, *Performance management theory: a look from the performer's perspective with implications for HRD*, “Human Resources Development International” 2007, Vol. 10, Issue 1, p. 59.

gave PM very first basic features⁸. Out of fifteen PM definitions cited by B. Nita⁹ a few common features may be indicated as follows: (1) on-going processes, (2) importance of strategy understanding and its objectives, (3) the integrated approach to business processes, resources and strategy, (4) multidimensional performance measurement and its monitoring from any functional perspectives (includes HR department as well) or organizational level, (5) performance reporting and thus delivering information for performance assessment, (6) feedback and corrective actions. Interestingly, B. Nita, in his paper conclusions, indicates that today's PM solutions derive from the process of the evolution of management accounting, which was the consequence of searching for methods towards multidimensional performance measurement. In turn, M. Armstrong¹⁰ gives a set of ten definitions of different authors, all of which refer to performance management as a process of aligning organizational and individual objectives to achieve organizational effectiveness. It is interesting to note that only one definition of the set mentions development and only three refer to teams. But it is worth mentioning that both authors indicate either "anticipation of needed changes in the strategy" or "development as a prime purpose" as a vital feature for the PM concept. Nevertheless, the idea of the aforementioned definitions is, for sure, thinking much more about future organizational performance, than exclusively past assessment. Regardless of any definitional contexts there are three PM levels: (1) corporate performance management, (2) employee/team performance management and (3) integration of both previously mentioned ones¹¹.+ The second of those listed is of special interest for Guest's arguments mentioned in the introduction. The three levels refer to the idea of integration between HRM and entire organization. Vertical coherence of individual and organizational goals involves the idea of combining employee/team activity with corporate strategy through personnel strategy. In turn, horizontal coherence, regarding employee – manager support activity is implicated in the network of personnel processes that are mutually supportive and contribute to improving organizational effectiveness as a whole¹².

⁸ M. Armstrong, *Armstrong's handbook of performance management. An evidence-basisd guide to delivering high performance*, 4th edition, Kogan Page 2009, p. 20.

⁹ B. Nita, *Transformation of management accounting: from management control to performance management*, "Transformations in Business & Economics" 2008, Vol. 7, No 3 (15), p. 61.

¹⁰ M. Armstrong, *Armstrong's handbook of performance...*, op. cit., pp. 57–58.

¹¹ Ibidem, p. 56; R.S. Williams, *Managing Employee Performance: Design and Implementation in Organizations*, "Psychology@Work", Series Editor: Professor Clive Fletcher 2006, pp. 11–12, et al.

¹² M. Armstrong, *Armstrong's handbook of human resources management practice*, 11th edition, Kogan Page 2009, p. 615.

Table 1. Selected EPM different cycle models

Guinn (1987)	Planning: establish targets; identify behaviours and measures,	Monitor and reinforce expected behaviours; monitor and attainment objectives; provide control	Formal meeting of employee and manager; focus on future and employee's development; written record; new objective establishment
Heisler et al. (1988)	Direct – in sense of key result areas, performance indicators and required behaviours	Energize – set goals and establish behavioural expectations	Control – monitor, provide feedback, redirect, develop
Ainsworth and Smith (1993)	Performance planning concerns objectives and targets	Assessment of performance	Reward – evaluate, reinforce
Storey and Sisson (1993)	Individual objective setting	Performance evaluation	Corrective and adaptive mutual action via mutual feedback discussion
McAfee and Champagne (1993)	Planning performance ACTIVITY Establish performance goals, developmental goals and action plans with employee WHEN Beginning of new performance period	Managing performance ACTIVITY Observe and document efforts and accomplishments; provide feedback, coach and counsel employee regarding performance WHEN During entire performance period	Appraising performance ACTIVITY Evaluate employee's accomplishments and skills; discuss evaluation with employee; historical document creation WHEN End of performance period
Torrington and Hall (1995)	Planning performance	Supporting performance	Performance Related-Pay (PRP) and development
Pocztowski (2008)	Tasks planning in the adopted areas of performance	Reviewing performance	Behaviour improvement, monitoring and supporting the pro-efficiency behaviours
Armstrong (2009)	Performance planning and agreement: <ul style="list-style-type: none"> • update role profiles (definition of key result areas and competency requirements) • set goals and objectives – targets and standards • decide on performance measures (key performance indicators) • draw up performance improvement plans • draw up personal development plans 	Performance review, measurement and feedback; PRP decisions	Managing performance through the year: <ul style="list-style-type: none"> • monitoring performance against goals • monitoring achievement of performance improvement and personal development plans • providing and receiving feedback • coaching • amending goals as required • taking remedial action as necessary
			Reviewing performance: <ul style="list-style-type: none"> • conducting periodical formal performance review • providing and receiving feedback • analyzing performance • assessing performance • providing basis for revised performance and development agreement

Source: author's own compilation based on: M. Armstrong, *Armstrong's handbook of performance...*, op.cit., p. 309; R.S. Williams, *Managing Employee Performance: Design and Implementation in Organizations*, "Psychology@Work", Series Editor: Professor Clive Fletcher, 2006, pp. 13–16; A. Pocztowski, *Zarządzanie zasobami ludzkimi. Strategie, procesy, metody*, PWE, Warszawa 2008, p. 253 and 334.

Employee/team performance management (EPM) is an integrated system for all HRM processes, combining its different aspects, especially organizational development, human capital management, talent management, learning and development and reward, to achieve a coherent approach to the management and development of people. It is defined by Armstrong as a process for establishing shared understanding about “what” is to be achieved and “how” it is to be achieved, and as an approach to managing and developing people that improves individual, team and organizational performance¹³. In other words, the whole approach focuses on performance improvement and employee development. There are several variants of this model commonly being presented as a usually three-step cycle (Table 1).

The models presented in Table 1 have much in common with one another by three similar steps regarding performance: (1) planning, (2) supporting (managing) and (3) reviewing performance. But what is most significant, EPM is based first of all on the principle of employee – manager agreement or contract management, rather than management by command, paying special attention to: (1) aligning individual objectives to organizational objectives and encouraging individuals to uphold corporate core values, (2) enabling expectations to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviours (expected to be) and (3) providing opportunities for individuals to identify their own goals and develop their skills and competences¹⁴. All these assumptions derive from the theories underpinning PM concept: goal theory by Latham and Locke, control theory by Glasser and social cognitive theory by Bandura¹⁵. From the employee motivation view, most PM system elements could contribute to positive employee attitudes towards organizational commitment and job satisfaction¹⁶. The findings point out that the respondents had, inter alia, a good level of participation in the process, they could see the strategic relevance of their goals, peer competitiveness was high while the link between reward and performance was not too clear.

¹³ M. Armstrong, *Armstrong's handbook of performance...*, op. cit., p. 56.

¹⁴ M. Armstrong, *Armstrong's handbook of human...*, op. cit., p. 615 and 618.

¹⁵ T.W. Buchner, *Performance management theory...*, op. cit., pp. 62–65.

¹⁶ C. Fletcher, R. Williams, *Performance management, job satisfaction and organizational commitment*, “British Journal of Management” 1996, Vol. 7, Issue 2.

Planning performance

All EPM systems should have a common characteristic: their relations of employee and manager in the scope of work with underlying the involvement and feedback as essential and universal elements of any such system¹⁷. Planning performance concerns performance and development agreements that form the basis for development, assessment and feedback in the performance management process. They define expectations in the form of a role profile, which sets out role requirements in terms of key result areas and the competences required for effective performance¹⁸. Involvement and participation in goals setting between manager and the managed refers to sharing their view of what is expected of the employee. G. Egan explains that the majority of workers expect desirability, empowerment and encouragement in carrying out their work. Employee control should be used only in exceptional circumstances. The solution is a dialogue shaping the development of the employee. First, the whole process of EPM, coaching, consultation, feedback and all kind of the staff support, should encourage each employee to develop. It would be perfect if teams developed in the same manner. Secondly, if managers and teams want to know what they need to work even better then we can talk about the level of strategic development of employees¹⁹. Many kinds of objectives can be found and can be divided into on-going built-in role objectives, targets, projects and behavioural expectations²⁰. However A. Furnham indicates that not all goals can be pursued at the same time, because the system can be simply overloaded²¹. EPM works best if the goals are clear, and their number is limited. He says that the system is more successful if (1) work is described in terms of multidimensional effects (in terms of quantity, quality, time and cost) taking into account the context of the self-evaluation, (2) we link performance to the requirements of internal and external customers and (3) we take into account that the process of evaluation is not a perfect procedure and has limitations on self-assessment and managers evaluation errors. The last findings indicates that the primary goal affects behaviour in the absence of conscious attention or awareness of pursuing

¹⁷ C.H. Lee, *Rethinking the goals of your performance-management system*, "Employment Relations Today" 2005, Vol. 32 (3), p. 53.

¹⁸ M. Armstrong, *Armstrong's handbook of human...*, op. cit., p. 622.

¹⁹ G. Egan, *A clear path to peak performance*, "People Management" 1995, Vol. 1 Issue 10, pp. 34–37.

²⁰ M. Armstrong, *Armstrong's handbook of human...*, op. cit., pp. 622–623.

²¹ A. Furnham, *Performance management systems*, "European Business Journal" 2004, Vol. 16(2), pp. 84–85; 93.

a goal where priming is defined as the temporary non-conscious activation of a behaviour²². This, in turn, suggests the need to change the way in which behaviours are regarded in the workplace. The subconscious motivation might be a valuable concept from management viewpoint.

Managing performance

Managing performance is the manager's crucial everyday activity, not just occasional contact with employees²³. This is the reason for which support of organizational leaders for the successful EPM implementation is so necessary and should be connected with substantial modification of their way of thinking about results of the organization²⁴. C.H. Lee points out that the main EPM task is to generate accurate information for employees which can be understood, discussed, agreed upon its nature and quality, and then be a basis for both anticipation for any difficulties and strive for efficiency²⁵. So this is managerial on-going work and it is coaching that are a fundamental performance management activity to develop employee's knowledge, skills, competences and therefore the performance of people²⁶. T.W. Buchner indicates that many market trends such as downsizing, decentralization, distance work make it impossible for manager either to direct contractor observation in the traditional way or to devote enough time for this activity. Also the importance of employee work experience should be taken into account when monitoring performance by manager. Besides, at present employees have different expectations as to how to provide feedback and performance management. Over the years workers have been accustomed to participating and taking more responsibility, hence the higher expectations for their participation in the process of determining EPM in which they are, in any case, the subjects. Research indicates that the process of motivating, and even the collection and transfer of information feedback, can be moved from manager to employee responsibility. If only the employees took responsibility for their own performance²⁷.

²² A. Shantz, G. Latham, *The effect of primed goals on employee performance: implications for human resources management*, "Human Resources Management" 2011, Vol. 50, Issue 2, pp. 289–299.

²³ M. Armstrong, *Armstrong's handbook of performance...*, op. cit., p. 78.; R.S. Williams, *Managing Employee Performance...*, op. cit., p. 13.

²⁴ D.D. Dubois, W.J. Rothwell, *Zarządzanie zasobami ludzkimi oparte na kompetencjach*, Wydawnictwo HELION, Gliwice 2008, p. 195.

²⁵ C.H. Lee, *Rethinking the goals of...*, op. cit., p. 54.

²⁶ M. Armstrong, *Armstrong's handbook of performance...*, op. cit., p. 166.

²⁷ T.W. Buchner, *Performance management theory...*, op. cit., pp. 61–62.

Reviewing performance

There has been a lot of negative feedback about performance appraisal (PA). Some research showed improper feedback, lack of PA motivating effect or even reduction of employee motivation at all²⁸. Some say it is not worth using and informal reviews meet managers expectations better²⁹. On the other hand, PA sums up previous informal reviews delivering information for the next EPM period³⁰, although its lack can be justified in small companies³¹. C.H. Lee says that traditional periodic PA is aimed at documenting the past and fraught with false belief that poor assessment – and thus the negative reinforcement and punishment – is effective tool to motivate. But the main EPM objective is to correct weaknesses and promote good performance. That is why PA is always about the future, not the past. Rating with scales, even if positive, has little to do with correcting fails or raising productivity. Only feedback based on the description and diagnosis of the past, has a positive impact on the future actions leading to the efficiency³². Even measurement of behaviours, although more and more popular, is burdened with errors due to their different substrate and they are not necessary related to abilities and motivation³³. Yet, PA future seems to be strongly connected with appraising competences and outcomes. If there is a real need for appraising an employee performance by using a scale, the best way to do it is to use a dialogue while the task is in progress. Multiple repetition of the critical appraisal of this kind over a longer time may improve the poor outcome. Verbal dialogue and appraisal as a whole gets less negative connotations in comparison to the verbal appraisal itself³⁴. Although 360 degree feedback tool can be easily adopted in EPM systems there are few examples of a such kind probably because of lack of organizational knowledge on integrated performance with other personnel processes, such as development, career or remuneration³⁵.

²⁸ C. Fletcher, *Performance appraisal and management: the developing research agenda*, "Journal of Occupational and Organizational Psychology" 2001, Vol. 74, No. 4, p. 474.

²⁹ C.H. Lee, *Rethinking the goals of...*, op. cit., p. 57.

³⁰ M. Armstrong, *Armstrong's handbook of human...*, op. cit., p. 627.

³¹ M. Sidor-Rządkowska, *Kształtowanie nowoczesnych systemów ocen pracowników*, Oficyna Ekonomiczna, Kraków 2000, p. 17.

³² C.H. Lee, *Rethinking the goals of...*, op. cit., pp. 53–57.

³³ A. Furnham, *Performance management systems...*, op. cit., p. 84.

³⁴ C.H. Lee, *Rethinking the goals of...*, op. cit., p. 56.

³⁵ P. Ward, *Ocena pracownicza 360 stopni*, Oficyna Ekonomiczna, Kraków, 2005, p. 70.

3. The unfolding role of PM systems in Polish HRM trends against the background of worldwide research findings

It is important not to confuse performance management (PM), which includes planning of the results and achievements in this respect, with PA being designed to summarize the results worked out after a certain period³⁶. This remark may seem to be an important one in Polish experience even more where the meaning of the counterpart for PA in Polish publications literarily means workers evaluation and is unclear suggesting assessment of both: personal traits (which is improper) and achieved results³⁷. In one of the first Polish publications presenting PM concept in late 90s A. Gick and M. Tarczyńska noted that it was difficult to them to communicate the new idea of PM because of no words or terms that could be used to it³⁸. Nevertheless the authors even then found the concept as the backbone of modern HRM. Nowadays A. Poczowski indicates that only some elements of remuneration or performance appraisal refer to PM and there is no holistically conducted research in this regard³⁹.

As far as remuneration is concerned there is a vast compatibility of Polish authors view on the need to integrate it with performance within remuneration strategy types which include performance related pay (PRP), contribution related pay (CRP) or even competence related pay⁴⁰. They maintain the general opinion that the total reward has apparently much to do with performance and the linkage between individual /teams performance and competences and the total reward is undoubtedly clear. On the other hand there is no agreement as to the way in which PA results should be connected with remuneration but the question has been a worldwide concern for years. Bearing in mind developmental aspects of EPM some authors suggest the PA results be not combined simultaneously with remuneration purposes and development goals⁴¹

³⁶ D.D. Dubois, W.J. Rothwell, *Zarządzanie zasobami ludzkimi...*, op. cit., p. 192; M. Armstrong, *Armstrong's handbook of performance...*, op. cit., p. 27.

³⁷ S. Borkowska, *Strategie wynagrodzeń*, Oficyna Ekonomiczna, Kraków 2001, p. 117.

³⁸ A. Gick, M. Tarczyńska, *Motywowanie pracowników*, PWE, Warszawa, 1999, p. 16.

³⁹ A. Poczowski, *Zarządzanie przez efekty jako...*, op. cit., p. 5.

⁴⁰ A. Poczowski, *Zarządzanie zasobami ludzkimi. Strategie, procesy, metody*, PWE, Warszawa 2008, pp. 334–337; S. Borkowska, *Strategie wynagrodzeń...*, op. cit., et al.

⁴¹ E. McKenna, N. Beach, *Zarządzanie zasobami ludzkimi*, Gebethner i S-ka, Warszawa 1997, p. 161; A.M. Stewart, *Skuteczne oceny okresowe*, in: *Praktyka kierowania*, Ed. D.M. Steward, PWE, Warszawa 1994, p. 252.

or the conjunction is said not to be in a formal way⁴². In turn, for others the linkage being discussed is just a must⁴³.

Nevertheless the main idea in Polish literature still divides employee evaluation concept into two categories: firstly, it is on-going, unplanned and “informal employee appraisal” regarding operational management and it depends on both line managers needs and goals which mainly refer to current work corrections. Secondly, PA is the formal and regularly carried out managerial activity to appraise rates from the perspective of both their individual/team outcomes and their developmental potential and abilities for the future organizational responsibilities; PA is characterized here by particularly established and constantly used the PA rules, tools and procedures⁴⁴. Ratings and financial reward are not an inevitable part of the EPM sequence either (see also: Table 1)⁴⁵. However, there is a slight and interesting shift in Polish literature underlying PM concept as a basic data resources for pay decision⁴⁶. It is not PA but the exactly PM system which is found to be the prospective approach in this regard.

According to the newest report of Deloitte and PSZK the measurability of HR departments’ activities and the employee performance metrics developed by those departments are more important than ever. The report states that if HR professionals want to play the role of strategic partners in an organization, they should change their attitudes from intuitive to business-oriented. Additionally, in the further part of the report it is underlined that popularity of the formal system of performance appraisals is wide (68% companies) but in the meantime the least popular practice is the 360 degree assessment used by only 31% of all the surveyed companies. The least popular tools in the area of HR function efficiency are the measurement of return on investment in human capital. In general the report says that there is much stress about performance measurement but little about integrated view on performance management. Nevertheless there is some evidence which indicates partly solutions regarding the overall PM concept: as a half of surveyed companies have already introduced competence management, then coaching programmes are offered only mainly to members of the top and middle management teams. There is also increasing intent of wider implementation of management by objectives system,

⁴² S. Borkowska, *Strategie wynagrodzeń...*, op. cit., p. 177.

⁴³ M. Sidor-Rządowska, *Kształtowanie nowoczesnych systemów...*, op. cit., p. 173 et al.

⁴⁴ A. Ludwicyński, *Ocenianie pracowników*, in: *Zarządzanie zasobami ludzkimi. Tworzenie kapitału ludzkiego organizacji*, Eds. H. Król A.Ludwicyński, PWN, Warszawa 2007, pp. 275–276.

⁴⁵ M. Armstrong, *Armstrong’s handbook of performance...*, op. cit., p. 63.

⁴⁶ A. Pochtowski, *Zarządzanie zasobami ludzkimi. Strategie...*, op. cit., pp. 334–338.

transformation of the organizational culture and introduction of development plans for the key personnel⁴⁷.

Worldwide research shows flaws in contemporary PM practice. For Australia and Southeast Asia, Stanton and Nankervis surveys indicate: narrow concepts of the meanings and applications of PM; minimal strategic linkages between PM systems, other HRM programs and firm effectiveness; general dissatisfaction with the outcomes of PM systems, even by their designers; and a lack of PM training for both managers and their employees. Although in Singapore the situation seems to be much more beneficial due to unique business culture and evidence of a change in the PM perceptions of senior managers, "the rhetoric does not appear to be always matched by the realities of HRM practice"⁴⁸. There is little evidence for PM systems of the surveyed organizations to be evaluated in terms of their effectiveness. Nevertheless, such a PM assessment is the main HCM feature should be carried out automatically being apparent managerial activity from strategic management view. There is always a need to check the systems out to improve their efficiency⁴⁹. In E-reward survey of the UK performance management in 2005 almost all surveyed organizations (96%) declared to have PM systems and, moreover, almost all respondents used objective setting and performance review. First of all the organizations were trying to combine individuals objectives with corporate strategy. In the organizations PM system covered almost all jobs (91%), personal development plans and performance improvement plans were in general use (respectively 89% and 74%). Over a half of the surveyed organizations possessed PM in place for more than 5 years, and very few used competence (24%), 360 degree tool (30%) and Web (16%)⁵⁰. The newest CIPD research shows that although the knowledge on PM is quite satisfactory in the UK, yet the rhetoric misses what actually happens under the heading PM. It is seen by many of the interviewees as a key vehicle for building engagement, although the survey indicates a significant level of skepticism as to whether performance management does have a direct impact on organizational performance. However, they identified a range of

⁴⁷ Deloitte and PSzK Report, 2011, *The present and the future of HR. Report on HRM trends in Poland*, <http://www.deloitte.com>, 15th of December, 2011, pp. 3–8.

⁴⁸ P. Stanton, A. Nankervis, *Linking strategic HRM, performance management and organizational effectiveness: perceptions of managers in Singapore*, "Asia Pacific Business Review" 2011, Vol. 17, No. 1, pp. 68–83.

⁴⁹ A. Baron, A. Armstrong, *Zarządzanie kapitałem ludzkim. Uzyskiwanie wartości dodanej dzięki ludziom*, Oficyna a Wolters Kluwer business, Kraków 2008, p. 136.

⁵⁰ M. Armstrong, *Armstrong's handbook of performance...*, op. cit., p. 177.

barriers that might prevent the process from having the desired impact on the bottom line⁵¹.

4. Conclusion

The problems with performance management in Polish HRM probably result from limited knowledge regarding the meaning of PM for human capital development and thus HR accounting. HCM approach is deeply associated with the concept of value, which is created through people. One of the approaches to describe the value is to present it as an employee contribution (i.e. knowledge, skills, behavioural competences) towards overall performance achievement. The contribution can be measured through a PM system which has its two main elements: competences and performance. That is why many authors are of the opinion that the difficulties in effective HCM occur when the PM system is not its key part⁵². E.G. Flamholtz sees HR accounting having a potential future application as a component of a corporate or strategic business unit's control system. A control system can be viewed as a performance management system for an organization or component, such as a division or department or even an individual⁵³. For the Polish experience the conclusion seems to be as follows: performance measurement without management is not enough and EPM is on the very bottom of the integrated PM system.

In today's management world of increasing variety of organizational environment and thus influencing the importance of competitive advantage, there is a strong need for having a look at organization from many different perspectives to get out of traditional managerial functions (marketing, production, finance, personnel and so on) or management levels. This is the exact example of Miller and Berger's mind-set with four views on organization depicted as a house two walls, ceiling and roof. Whereas the walls represent organizational business processes and resources, the ceiling is its business

⁵¹ Chartered Institute of Personnel and Development, CIPD, (2009), *Performance management in action, Current trends and practice*, <http://www.cipd.co.uk/hr-resources/factsheets/performance-management-overview.aspx>, 15th of December, 2011.

⁵² E.E. Lawler, *Current performance management practices*, "WorldatWork Journal" 2003, Vol. 12, No. 2, pp. 21–30; A. Baron, A. Armstrong, *Zarządzanie kapitałem ludzkim...*, op. cit., pp. 134 – 139; 194–195.

⁵³ E.G. Flamholtz, E.G., *Human resources accounting, human capital management and the bottom line*, in: *The future of human resources management*, Eds. M. Losey, S. Meisinger, D. Ulrich, Society for Human Resources Management, Aleksandria, Virginia USA, John Wiley & Sons, Inc., 2005, p. 274.

view and the roof – CEO’s view. The authors underline that each point of view in the framework emphasizes a different set of objects and information in the enterprise but does not exclude the other views – the same enterprise is behind each reference point⁵⁴. This is the clue of thinking about the role of performance management from HRM viewpoint. Behind the success of each organization lays the effectiveness of different individuals, teams and units. These are the reference points. Regardless of the kind of personnel process, behind each always lays its effectiveness which more or less influences or derives from performance management success. After all it should be the integrated approach to HRM success and thus the whole organization.

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Резюме

Управление эффективностью работника как интеграционный подход в польском управлении человеческими ресурсами

Понятие управления по результатам (ZPE, англ. performance management) не обсуждались до сих пор широко в практике польского управления человеческими ресурсами (УЧР). В отличие от англоязычной литературы нет также целостных отечественных исследований в этой области. Автор статьи сосредоточивается на управлении эффективностью работника (ZEP, англ. employee performance management) как интегрирующем подходе в области УЧР и опираясь на результаты обзора литературы показывает его характерные черты. Подчеркивает растущую роль систем ZPE в появляющихся трендах польского УЧР на фоне мировых результатов исследований.

Ключевые слова: система управления эффективностью работника (ZEP); периодическая оценка; поддержка сотрудников; управление человеческими ресурсами (HRM); Польша.

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