

- 1 Clarity of strategy and implementation
- 2 Holding people accountable
- 3 Cross organizational working culture
- 4 Developing and managing talent
- 5 Balancing measurement & development
- 6 Integrating strategy, performance and compensation

**Best practices
 "Most admired companies"**

Performance management Continuum

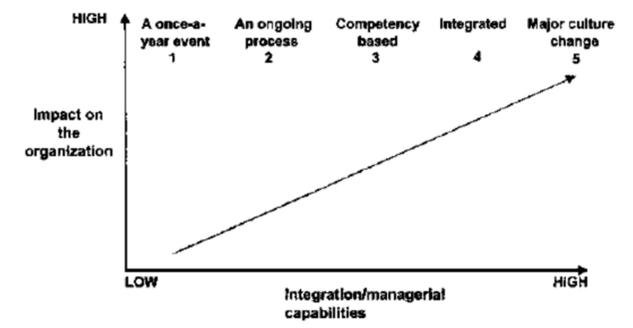


Figure 1.1 Performance management continuum or diagnostic. Source: Hay Group (1995)

Change from "output" to more "input" driven, from HR to line managers, from PRP to development

Organisational performance

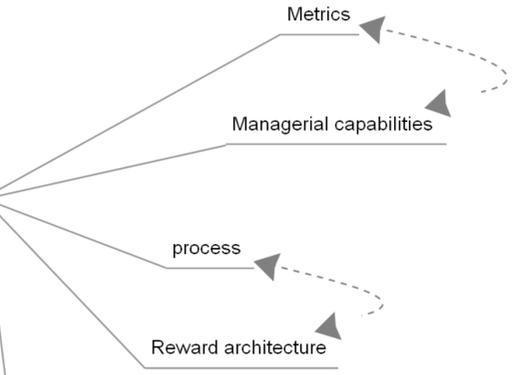
Performance measurement

- 1 Drivers: Business performance
- 2 Focus: Measures of effectiveness
- 3 Outcome: Strategy alignment and clarification

Performance development

- "Soft" HR: deals with people, elicit commitment
- 1 Drivers: Motivation & climate
- 2 Focus: Communication & development
- 3 Outcome: Performance through discretionary effort

Framework for performance management
 Hay Group (2005)



👉 all elements must be in balance!!!!

**Developmental-humanism
 "soft" HRM**

- Theory Y McGregor (1971): people are by default ambitious
- Self regulated
- Flexible
- Communication pivotal
- Based on trust

**Utilitarian-instrumentalism
 "hard" HRM**

- Theory X McGregor (1971): people dislike work and are not ambitious
- HR policies in alignment with business objectives --> competitive advantage
- tight managerial control