THE EFFECTIVENESS OF PERFORMANCE MANAGEMENT IN THE RETAIL INDUSTRY IN IRELAND

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Abstract

In Ireland at present there is an economic recession which is affecting businesses across the country. The managers and employees that remain in these businesses need to perform to a high standard to drive these companies back to success in a recession. This dissertation will focus on three particular retail companies, two of which have been experiencing falling profits as a result of the recession and one retail outlet which has been only recently started opening their retail outlets in Ireland in the midst of the recession.

Performance Management is an effective method for companies who wish to evaluate their employee's performance and develop their performance further. The main aim of this research is to analyse the theoretical literature available in regards to Performance Management and the tools used and to observe whether the retail companies in Ireland are using these beneficial tools effectively. Recommendations will then be generated to the retail industry in Ireland to further progress the Performance Management systems currently in place.
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Glossary

CIPD - Chartered Institute of Personnel and Development

HR - Human resources

HRM – Human Resource Management

PMS – Performance Management System
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1 Introduction

The rationale behind this dissertation is to review the effectiveness of Performance Management in the retail industry in Ireland at present. As an impact of the current ongoing recession in Ireland, it is highly important that organisations are getting the upmost benefit from their employees. Performance Management is a key method of doing so and this research aims to explore if the organisations in the retail industry are utilising Performance Management to its full potential.

A detailed literature review will be implemented in this dissertation on the effectiveness of Performance Management as a tool for organisations to gain better results from the individuals across all areas of work in the organisation. Subsequent to this, the research methodology for the dissertation will be carried out; this will explore the various techniques used by the researcher to gather the findings and analysis for this research.

An introduction to the three retail outlets utilised for the purpose of this research will be given to allow an insight into the working life of Argos, Iceland and Topaz. The findings and analysis will then be generated from the qualitative research carried out in which the managers at the retail outlets were interviewed. The findings from this research will gain an understanding on whether the PMS in place in Ireland at present is effective or not. Finally conclusions and recommendations will be drawn to highlight what the retail industry in Ireland needs to take action on to implement effective Performance Management in their outlets.
2 Literature Review

1.1 Defining Performance Management

Performance Management is defined by Armstrong (2009: 1) as a ‘systematic process’ to improve the performance of a company by developing the individual’s and team’s performance. For these outcomes to be reached Performance Management should be understood and applied utilising an ‘agreed framework of planned goals, standards and competency requirements’. According to Armstrong, today’s Performance Management is implemented into organisations through the progression of ‘management by objective and performance appraisal that were developed some time ago’ (Armstrong, 2009: 2). The overall technique of Performance Management is employed by line managers on a daily basis rather than as a yearly human resource exercise, hence becoming a ‘natural process of management’. Armstrong’s overall sense of Performance Management is that it should be an on-going process in organisations having a systematic set of agreed targets and goals that will advance the organisation.

Similarly to Armstrong, Redman and Wilkinson (2009: 179) depict that Performance Management is used as a tool to connect the objectives of the organisation to a set of work targets for employees with ‘objective setting and formal appraisal’ at the core of this process. The use of Performance Appraisal is moving from being a single method of the management of performance, to becoming a more integrated fragment of the overall Performance Management system.

In relation to CIPD (2010: 1) Performance Management is described as a ‘holistic process’ which integrates all the various needs that are required in order to reach an advantageous system of people management that concentrates on ‘learning and development’. Performance Management give teams and individuals the responsibility to take liability for their own ‘continuous improvement of business processes and of their own skills, behaviour and contributions’. Managers can then converse their viewpoint for the teams and individuals and in return they communicate how they consider them to be managed. Performance Management entails development in the setting of objectives and through the measurement of this.
Generally Performance Management should provide a culture within the organisation where exceeded performance is gained from the teams and individuals that have accountability for their own goals and the progression of the organisation under efficient management. Focus should be targeted on giving the individuals and teams accurate tasks to be implemented through realistic goals (Armstrong, 2006).

It is highly apparent that a common thread can be visualised throughout the various definitions of Performance Management in relation to it being carried out through the setting of goals and targets for the teams and individuals to meet the overall objectives of the organisation. Although the common performance appraisal systems are still apparent in organisations there has been a move to a more integrated management system to comprise all requirements needed to manage the performance of teams and individuals on an on-going basis.
Performance Management is apparent in history since third century China during which WEI Dynasty was in control (Eichel and Bender, 1984). In accordance with McMahon (2009 1) during the sixteenth century, Ignatius Loyola utilized a ‘system for formally rating members of the Jesuit religious order’. Prior to World War 1, McMahon further discusses how performance appraisal first became manifest through the scientific school of management which was governed by Frederick Taylor. Following in the footsteps of Taylor and his utilization of performance appraisal, American pioneer WD Scott rated workers abilities in industry previous to World War 1 and influenced by Taylor, Scott operated the “man to man” comparison scale (Armstrong and Baron, 1998 29-30). This was momentarily to be employed to rank US army officers.

Armstrong and Baron (1998 29) express how it is indefinite when the initiation of formal reviewing of performance came into effect. During the 1920s US officers in the army services were rated, this shortly followed suit into US and UK factories. Merit rating came into effect in the 1950s and 1960s in the US and UK and this soon became acknowledged as performance appraisal. Throughout the 1960s and 1970s management by the setting of objectives came into effect. In the 1970s, ‘Performance Management’ was first used as a term but it wasn’t until the late 1980s when it became known as a familiar process (Armstrong and Baron (1998).

1.2.1 Merit Rating

According to Armstrong (2009 11), merit rating was utilized to examine individuals in relation to ‘personality traits such as judgement or integrity and qualities such as line managership and cooperativeness’. This form of rating relates back to the classroom where pupils were judged by their teachers. WD Scott’s ranking of workers was later formed in the 1920s and 1930s to the ‘Graphic Rating Scale’, this was applied to rank and form reports on managers and line managers. Illustrations of this would be ‘tick the box’ answers to questions that were carried out on the types of qualities that a manager may have.
Consider his success in winning confidence and respect through his personality:

(a) Inspiring □  (b) favourable □  (c) indifferent □
(d) unfavourable □  (e) repellent □


1.2.2 Setting of Objectives

John Humble (1972) notes that management by the setting of objectives was utilised by organisations to calibrate the attainment of development and revenue goals in accordance with the needs required by managers to further themselves along the way. The setting of objectives was put in place to solve the issues that had arisen from merit rating according to Armstrong and Baron (1998).

Figure 1.2

The Management-by-Objective Cycle

Source: Armstrong M & Baron A (1998), Performance Management: The New Realities, Institute of Personnel and Development
2.2.3. New form of performance appraisal

In the 1970s, Armstrong (2009) states that a new form of performance appraisal became apparent which arose from the management by objectives notion. It was a combination of the understanding of objectives along with an analysis of the outcome of the results attained from the objectives. Various types of ratings were carried out to analyse the performance of the individuals and in the 1980s individuals were remunerated according to their performance ratings. The various types of appraisal systems that were performed were ‘ratings of performance factors such as volume of work, quality of work, knowledge of work, dependability, innovation, staff development and communication and an overall rating’. (Armstrong, 2009: 18) These appraisals were normally carried out on a yearly basis comprising of a meeting where the employee is rated by the manager.

2.2.4 Enter Performance Management

Although Performance Management was used as a term in the 1970s it was not until the mid-1980s when it began to form in the US as a new way to manage work (Armstrong, 2009).

CIPD (2009:1) have followed the development of performance management since the early 1990s. In 1992, research that was carried out by the Institute of Personnel Management outlined Performance Management in full and commended the activities which should be utilised during the process of managing performance. The most notable activities of Performance Management which the research identified during the early 1990s were ‘appraisal and objective setting’. Activities such as ‘communication or development’ were not commonly found.

The second half of the 1990s began to see a quicker development in Performance Management according to CIPD, this was largely due to the alignment of the workplace into one that expended knowledge through excelled and advanced ways of managing performance. Further research carried out by the Institute of Personnel and Development in 1998, found that Performance Management was to be seen as ‘a continuous process rather than an annual activity’, Along with this the research found a division between Performance
Management being recognised as a way of progressing individuals rather than one that used remuneration for individuals in relation to the outcome of their performance.

CIPD (2009) discuss the approach forward for the progression of Performance Management in the 21st century is based around the understanding and compliance among managers to ‘create a high performance, high commitment work system.’ The reliance on improving individual’s performances would lead to an overall better performance of the organisation as a whole was no longer enough, the way forward for Performance Management would entail fitting into the organisational strategies along with HR policies (Armstrong, 2009).

Features of Performance Management are highly apparent throughout its history. Some of the key notions that were utilised as far back as the ranking of US army officers in the 1920’s are noticeable to this date. Merit rating, objective setting, and performance appraisal are still broadly utilised within Performance Management but it has further evolved to align with overall organisational and HR strategies and is at present a more on-going process in organisations than ever previous.
1.3 Performance Management Processes

1.3.1 Stages

In order for an organisation to manage the performance of their employees, they will firstly need to identify the performance needed to manage the overall organisation. For the vast amount of organisations this will primarily involve a mission statement to highlight the performance that is required and the all-inclusive goals of the organisation. Organisations will need to set out the strategic aims within the organisation's structure that will achieve competitive advantage and will fall within that of the mission statement. The mandatory abilities and core values will need to be identified by most organisations as they will carry out a duty in the managing of individual performance. (Torrington, Hall and Taylor, 2008)

Figure 1.3

Subsequent to the stages of the Performance Management system being ascertained as to which best fits the organisation, it can then be determined as to which processes best fits the organisation overall. The following will be examined and identified:

- Performance Appraisal
- 360 degree feedback
- Reward
- Team Based Appraisal
1.3.2 Performance Appraisal

Performance appraisals were normally used as a formal way to evaluate employees in terms of their performance. Normally a manager and an employee would participate in a meeting that was centred on the performance of the employee. To evaluate the performance of the employee, intricate documents would be completed and then held in files in the human resource department of the organisation. An occurrence that was identified with this method of performance management was that the employee may have been overlooked until the next performance appraisal took place. (Torrington, Hall and Taylor, 2008)

It was identified by Fisher (1995) that although it was important to carry out formal appraisals on an annual basis, the appraisals should be utilised as an on-going process to reach specific goals of continuous development in terms of performance and with regards to all round capabilities and skills.

For this to occur, employees and managers should be equipped to meet development and advancement as required. It is of vital importance that they learn from problems, achievements and conflicts that they encounter on a regular basis.

Gunnigle and Flood (1990) state that performance appraisal is a prearranged way to measure performance, attributes and abilities with the prospect of making choices in regards to rewarding, advancing and motivating employees. Gunnigle and Flood commend that the performance appraisal loop will provide the foundations needed to carry out a structured appraisal.

Figure 1.4

Establish, communicate and agree objectives and standards.

Evaluate performance

Compare performance with objectives

Decide on appropriate action

Take corrective action

Communicate decisions and results

Appraisal Aims

Fletcher (2004: 4-5) discusses the main aims when executing appraisals:

1. ‘Making reward decisions’ – It is required that there are comparisons in place between individuals in order to contribute rewards. When individuals are appraised on an annual basis, rewards can be determined in relation to those most merited.
2. ‘Improving performance’ – In order to educate an individual, there needs to be feedback given from the results of their performance in order for them to progress further.
3. ‘Motivating staff’ – Employees can be motivated through feedback, fair contribution of rewards and through goals that improve their performance.
4. ‘Succession planning and identifying potential’ – Fletcher states that performance appraisals can classify individuals into the poor and strong performers, this provides the organisation with the capability of focusing sucession planning on the individuals who will perform most efficiently and positively towards it.

Different types of appraisal methods

According to Stone (2002), for an organisation to decide which performance appraisal method is required they need to choose a practice which best fits the culture of the organisation. It must also consider the strategic reasoning behind putting the appraisal system into use and how it will measure performance. The following are considered by Stone (2002: 286-289) as the various methods to be considered:

- ‘Ranking’ – This is the ‘oldest and simplest form of rating’ and is used to compare each individual performance to enable the manager to position the individual to distinguish between who is best and worst. In order to rank employees, managers must comprehend the roles of the individuals and can therefore simultaneously compare their performance. This form of rating can be one-sided as it involves ‘considerable difficulty in discriminating between employees in the middle.
- ‘Grading’ – This can be used to compare the employee’s performance utilising ‘specific grade definitions such as superior, good, acceptable, marginal and
unsatisfactory. The employee is entered into a category which their performance demonstrates.

- ‘Graphic Scales’ — Can be utilized by measuring the individual’s performance with specific characteristics that are established around their subjective characters i.e. ‘initiative and dependability’ or objective characters such as ‘quality and quantity of work’.
- ‘Critical incidents’ — This occurs when the manager records specific incidents which stipulate an employee acting in an incorrect way. They are generally recorded around when they occur and will be used against measuring an employee’s performance.
- ‘Management by objectives’ — This involves the manager and individual compromising on the same targets. The performance of the individual can be determined by the job at hand in which they have compromised and undertaken on. These tasks are then reviewed at regular periods with regards to the achievement that has been made.

1.3.3 360 degree feedback

Ward (1997: 4-5) outlines 360 degree feedback as a gathering of information on performance regarding an employee or team by stakeholders in terms of their execution of work. This method is utilised to figure out how employees or teams reach goals in terms of their performance and abilities. Individuals can be observed by the stakeholders in the diagram below:

*Figure 1.5*

Ward specifies that stakeholders are concerned by individual's and team's performance and have the responsibility to answer questions in relation to their behaviour. The feedback that is provided by these stakeholders performs many uses in terms of training and development along with reward and appraising. It can contribute towards increasing the motivation of staff, communication and tasks that are performed. The system of carrying out the 360 degree feedback is a timely process as subsequent to obtaining the feedback, there are steps that are required to modify the performance of the teams and individuals.

As identified by CIPD (2009a), in order for 360 degree feedback to perform efficiently, questions should be precise, straightforward and relevant to the tasks that the individual is completing. The feedback should only be provided by a qualified person. When the feedback is successful and carried out appropriately, the feedback should deal with the recipient's thoughts regarding their actions being dissimilar to what they initially recognised it to be. Connections in different types of behaviours will also be found with the feedback.

At present, 360 degree feedback can be carried out online rather than the original method of using pen and paper. This reduces the time needed to conclude questionnaires and collect information. Using 360 degree feedback online is also interactive in terms of the questionnaires. The individuals receiving the feedback can choose which abilities they wish to receive information on, The questionnaires are also secure with the option to use passwords and the use of the online questionnaires will help increase preciseness as correct information is received. (CIPD, 2009a).

It is of high importance that individuals receive truthful feedback on their performance according to CIPD (2009a) as this provides them with the opportunity to understand the way in which their tasks contributes to the goals that the organisation wishes to obtain. The use of 360 degree feedback contributes towards this as the receiver has a broader vision rather than just receiving feedback from the line manager. The feedback that the individual receives should be confidential and the individual should have control over the process. The feedback given should be carried out in a constructive way that provides a purpose and samples should be provided of the way in which the individual's
performance has been observed. The individual ought to be allowed to act on the feedback they have obtained at all times.

1.3.4 Reward

Financial Rewards

Rewarding employees for their performance can be a controversial area as it means that part of their pay is in the balance as stated by Redman and Wilkinson (2006). Base pay as explained below is the most common financial reward that employees will connect with in terms of their pay. As this type of reward does not take into account the organisation itself, the employee and the external factors which are constantly changing, managers are becoming less content with these rewards.

As outlined by Redman and Wilkinson (2006), moving from base pay to a combination of base and variable pay will highlight the requirement of the organisation to remunerate the employee for their efforts rather than for the job alone. Relying on convenient ways of evaluating an individual’s work is therefore not as important.

Financial Rewards

Figure 1.6

As dictated by Houldsworth and Jirasinghe (2006) in the diagram above, the following are the types of rewards which can be linked to the performance of individuals:

**Base salary progression** – Increases in pay linked to performance are within a set pay range. This type of reward is used for all employees in the organisation linked to their performance during the year.

**Annual performance incentives** – This pay is related to a set of objectives being satisfactorily completed by managers and employees with personal responsibility given for completion.

**Annual bonuses** – These are not incentives for goals given but are remunerated for levels of achievement.

**Long-term incentives** – Rewards are held off until all goals set are completed and remuneration mirrors continuous performance. Usually given over a 3-5 year time scale and are provided to upper management who have authority over organisational accomplishments.

**Team awards** – Reward mirrors that of team performance input and devotion by team members consistent over a period of time.

**Profit shares/gain sharing** – Shared rewards are provided for accomplishment, this is a good way of stipulating how the organisation is performing overall.

**Recognition awards** – These types of rewards are given to the individuals whose performance in the organisation is exceptional. The culture of the organisation should be embedded in these accomplishments.

**Non-Financial Rewards**

Often Performance Management can be regarded as a way to provide assessments and the result of this determines pay as an outcome of judgements made. Armstrong (2006: 151) deems this to be improper as Performance Management can also provide rewards that increase the dedication to work. These rewards can be done through the ideology
of accomplishments, the possibility of increased capabilities and talent and to provide feedback and guidance of the work of the individuals. These rewards are also deemed as 'non-financial rewards'. They can have more of a profound effect then that of financial rewards.

Types of Non-Financial Rewards

Figure 1.7


The following are the non-financial rewards identified by Armstrong (2006: 152-153):

**Recognition** – Recognise individual’s achievements and areas where they excel and to keep them informed with regards to this. Individuals should be accredited for their accomplishments and given feedback on where they need to improve.

**The provision of opportunities to achieve** – Performance Management is built on agreement between managers and individuals in terms of their job enrichment and progression, therefore they should be provided with techniques of development along with the job enrichment.
Skills and development – Reinforcement of the development of skills should be included with Performance Management giving a suitable system to train and maintain the development of skills.

Career planning – When Performance Management is reviewed it can provide individuals with an opportunity to discuss where their career is going in the direction of, it can also be utilised to determine whether their career is headed in the correct direction for themselves and for the organisation itself.

Job engagement – If individuals are involved and motivated by their jobs, then they tend to be more engaged with their work. Performance Management can contribute towards this by encouraging the individuals i.e. delegating responsibility for the outcome and completion of their targets of work.

Commitment – A vital area of Performance Management is that individuals are committed to the organisation and its goals; this is done by combining both the individual and the organisation’s aims.

1.3.5 Team-based Appraisal

During the execution of an examination of the performance of a team it must correlate with the objectives set out for the team (Armstrong and Baron, 2005). The activities of Performance Management that will be required by the team will relate to the activities required by the individuals in terms of ‘agree objectives, formulate plans to achieve them, implement plans, monitor progress, review and access achievement and redefine objectives and plans in the light of the review’. (Armstrong and Baron, 2005: 122). The objectives set out for the teams and their line managers should provide them with responsibility to carry out and deliver the tasks set.

Redman and Wilkinson (2006: 164-165) recognise that in certain organisations, teams are more frequently being given responsibility for the designation of ‘work tasks, setting bonuses, selecting new staff and even disciplining errant members’. This stipulates that
performance appraisals in these organisations should be performed by the teams. The following are the two team appraisals recognised by Redman and Wilkinson.

‘The manager appraises the team as a whole’

In this kind of team appraisal targets will be set and the performance of the members of the team will be measured and reviewed. The rewards provided will be in line with rewards given on an individual appraisal basis. Ratings received will be equivalent to each other in the team. After the team appraisals have occurred, the members are assisted with any issues they may have encountered with their performance or with issues regarding the abilities of team members. This will contribute towards the team engaging in an improved performance overall and will support the development of the team.

‘Individual appraisals of each team member are still made but not by management’

In this type of appraisal, the team members rate and measure each other’s performance through surveys which are done in a confidential manner – these are also known as ‘peer appraisals’.
2.4 Difficulties and Effectiveness of implementing a Performance Management system

2.4.1 Difficulties implementing a Performance Management system

According to De Waal and Counet (2008: 368-372) there are various problems which can be identified with the practice of Performance Management systems (PMS) –

- 'There are insufficient resources and capacity available for implementation' – In order to implement PMS into an organisation it would require focus and time. The organisation may aspire to implement the PMS but may not have the appropriate resources, time and amount of people to carry it out; this will result in an impediment in utilising Performance Management.

- 'The organisation is in an unstable phase' – Other concerns may take prominence and hold up the development of Performance Management such as 'reorganisations, mergers, acquisitions, new parent company initiatives or downsizing, or it has financial issues that put too much stress on management'.

- 'Lack of management commitment' – If management demonstrate a lack of commitment to the implementation of the PMS this can follow suit with others in the organisation.

- 'Organisational members are not adopting the right management style' – If the PMS is used by management in an inappropriate manner to punish individuals instead of educating and progressing them, then members of the organisation will dislike the PMS resulting in its information being misused.

- 'There is a lack of knowledge and skills in regard to the PMS' - The PMS will not perform accordingly if the members of the organisation do not know what is required of them with the system – this can stem from a lack of training with the PMS.

- 'There is an insufficient link between the PMS and the reward system' – If there is no connection or a deficient connection between the PMS and the reward system, the members in the organisation will not be appraised or rewarded in relation to work carried out with the key performance indicators and the critical success factors. This will lead to the members focusing on other issues and not comprehending the importance of the PMS.
> 'There is no organisational member appointed to take ownership of the PMS' – When there is no supervisor appointed to take direct control of the PMS and to update and correct difficulties which occur with the system, this will result in less use of the system and it will not be as important to the organisation.

De Waal and Counet highlight the reality that if problems are encountered with a scarcity in resources and the vital amount of people the application of the PMS will be affected. If the organisation is occupied with other priorities this will affect the outcome of the PMS. Management commitment is vital when implementing the PMS to achieve the desired communication with members in the organisation in order for goals and values to be comprehended in full, if this is not achieved there will be a breakdown in communication and will have adverse effects on the implementation of the PMS. If the key performance indicators and critical success factors that are desired of the individuals are not clearly defined, the results of these tools will be interfered with. It is of fundamental importance that direct supervision is provided with in the organisation to manage the PMS and to achieve the targets and values that it aims to achieve.

2.4.2 Effective Performance Management

If an all-round effective adoption of Performance Management is applied into an organisation, the following factors will create this according to Armstrong and Baron (1998: 17-28):

Figure 1.8

‘Organisational context’ – As the external and internal environment to the organisation is constantly changing it is vital that Performance Management acts accordingly to contribute to forming the change.

‘Culture’ – If the organisation possesses strong values in terms of its culture, Performance Management can be affected by this. It is important to note that culture can be changed and Performance Management can aid this process. Mutual acceptance between managers and employees must occur to achieve this.

‘Job design’ – Job design can provide better performance as it provides individuals with incentives and improved capabilities. In order to achieve this with Performance Management the job which is undertaken by the employee should be a full section of work in order for the employee to recognise what they are trying to achieve and the results are clear. Employees should be given an input and power over making decisions and variety in the work they are carrying out.

‘Teamwork’ – The need for organisations to incorporate better teamwork originated from the early 1990s as newer technology industries and finance and service industries required improved customer service through teamwork. In order for Performance Management to be effective, it needs to concentrate on working with teams along with individuals.

‘Organisational development’ – This focuses on improving the way in which the company works and guides change through the progression and implementation of the organisations processes. This requires the organisation to utilise a holistic and united approach in Performance Management.

‘Purpose and value statements’ – The performance of the organisation has purposefulness based on core values if it aims to satisfy the need of its stakeholders.

‘Strategic Management’ – This is a way for the organisation to provide its critical success factors combining the zones of performance in the organisation that are the driving forces to target and meet the goals that have been established.
'Human Resource Management' – All the plans that the organisation implements should concentrate on improving performance and achieving and developing individuals that are motivated and devoted to their jobs. (Armstrong and Baron, 1998: 17-28)

The A-Z theory’ - Walker (2011: 39-41) recommends that effective performance management should be carried out by visualising staff performance ranging from a line where A= ‘very poor, chronically substandard performance’ to Z= ‘excellent performance’.

Figure 1.9


It is highlighted by Walker that effective Performance Management should cover the whole of A-Z so that the managers are dealing with the excellent performers along with those who are underperforming. Managers often spend excess time with the staff that are underperforming and let the strong motivated performers carry on with their work without intrusion. In order to achieve effective performance management, managers should concentrate on the following:

1. ‘Know where all of their staff are on the A to Z line all of the time’ – Information should be gathered on each staff members performance and then judgement should be carried out.
2. ‘Continuously move all of their staff from left to right’ - make sure that they never stand still or move towards A.
3. ‘Stop staff getting to A’ – Management will therefore not have to deal with poor performance. This is known as preventive performance management.
4. ‘Most of all, never do nothing about poor performance’ – Commonly things often get worse rather than better- so dealing with issues will get harder and other performing members can become affected by this. Managers can often relate to these situations as they have experienced these lessons overtime. To gain the
morale of the top performers management will be required to deal with poor performance. If this has not been achieved the top performers may look elsewhere for work and the organisation may then be left with a team of A's.

For performance management to be effective, it is evident to see that an organisation needs to incorporate all the different elements which Armstrong and Baron have discussed. Performance Management systems can help aid ever-changing organisational contexts and cultures if adapted in the appropriate manner. Higher performance with individuals can be achieved if they are clear of their job design and if the individuals are delegated with power over their own work. Teamwork has increasingly become an important part of effective performance management through individuals working together to achieve desired tasks. The performance management systems need to be based on the core values of the shareholders as discussed by Armstrong and Baron.

In order for an organisation to be managed strategically the Performance Management systems should accentuate the overall goals of the organisation. And to achieve overall effective Performance Management, the human resource element of the organisation should concentrate on developing individuals. The A-Z theory of effective Performance Management as reviewed by Walker stipulates that it is of high importance that management need to concentrate on the poor performers along with the ones who are excelling in their work. Individuals should be moving up the line at all times in terms of improvement and management are required to concentrate on eliminating poor performance by their employees.
2.5 Managerial Roles in Performance Management

2.5.1 Line Managers

Line managers accomplish and bring together Performance Management. Armstrong and Baron (2005: 17-19) state that line managers can be assisted in providing Performance Management through the following:

- Applying Performance Management into the organisation with the participation of the line managers in becoming involved in experimental research,
- Utilising a 360 degree feedback process to measure whether line managers are implementing the Performance Management system correctly in terms of how they deal with their employees and if there is a need for development of the line managers.
- Performing reviews with employees to see how they react to how the line managers implementing the Performance Management system and if there is a need for areas of improvement.
- Provide formal training for the line managers in the abilities that are required of them to carry out the Performance Management system. If new systems are being introduced then training should be provided in order for the line managers to progress further. Formal training is highly important where new managers are concerned.
- Individuals who are HR knowledgeable or competent line managers should provide one to one training for other line managers this will contribute towards the formal training that is already established.
- The human resource department should work with the line managers and highlight to them the importance of Performance Management for both managers and employees.

The above emphasize that it is vital to develop line managers with carrying out Performance Management as the co-operation of the line managers and their impact with regard to the systems put in place for performance are integral to the organisation and the successfullness of the performance of the employees.
2.6 The Future of Performance Management

As observed by CIPD (2009) Performance Management has attained a position which is a vital link between the day to day duties that are performed by individuals in the organisation alongside the progression towards achieving the organisation's overall strategic goals. 'Talent management, but also coaching development, reward and HR planning' will provide the necessary link between the performance of the individuals and the strategic goals.

There is a change now forming with Performance Management where it is moving from a HR focused activity to becoming a vital strategic system for organisations delivering objectives that will be achieved to the required standards and will be carried out effectively. Organisations will now be evolving their Performance Management systems to provide systems which will be applied to counteract with other business activities to receive dedication and collaboration to the highest form with their individuals (CIPD, 2009).

The Business Forum (2012) state that there are currently challenges found in business today with regards to the preservation of talent and the retention of competency with regards to output and maintaining a profitable organisation. For this purpose organisations need to control resources and develop advancement in their market to maintain competitiveness. Rather than carrying out the development of the performance of individuals in the organisation in an administrative way, organisations should centre this as a substantial strategic activity.

New techniques concerning software will guarantee that many difficulties encountered with paper based appraisals will be eliminated and will safeguard reliability and guarantee that legal issues concerning appraisals are guarded. The new software will help managers in directing them towards the setting of their goals and objectives and the appraisal system, along with automating the measurement of performance (Business Forum, 2011).
3 Methodology

Methodology can be defined as the 'theory of how research should be undertaken'. The methods will be the different practises and techniques used to gather and examine the information. This will derive of 'questionnaires, observation and interviews as well as both quantitative (statistical) and qualitative (non-statistical) analysis techniques'. (Saunders et al., 2009: 3).

The research problem is the particular problem or issue that will be the centre of the research being carried out. When arriving at this stage a number of appropriate research questions will be generated. (Collis & Hussey, 2009). The research problem in this dissertation will identify whether Performance Management is effective for managers and employees in the retail industry in Ireland at present.

3.1 Research Objectives:

- To explore the effectiveness of Performance Management for managers and employees in the retail industry in Ireland at present.
- To investigate how Performance Management systems are implemented in the organisations.
- To examine the difficulties which managers face when implemented the Performance Management systems into use in their organisations.
- To determine whether employees are supported in carrying out the expectations required of them with the performance management systems.

3.2 Research Philosophy

Interviews will be carried out by the researcher to align with qualitative research, this will be utilised to sample managers in retail organisations to gain insight into their opinions, perceptions and attitudes to Performance Management which have occurred in their organisation and how it has impacted them. As the interviews will involve the researcher taking a subjective approach, the research will be carried out in an interpretive manner. Collis & Hussey (2009: 57) define interpretivism as being 'underpinned by the belief that social reality is not objective but highly subjective
because it is shaped by our perceptions’. Smith (1983) & Creswell (1994) derive that the researcher will need to interrelate with the matter being researched as it is unfeasible to detach what occurs in the social world to what is in the mind of the researcher. As the researcher will be interviewing the managers in organisations for this particular research, the researcher will be involved in the subject matter and will need to relate, integrate and understand the various interviewees.

3.3 Research Strategy

The research generated for this project will take a qualitative approach, qualitative data is based on meanings produced through words, the results collected will be non-specific information and will be organised into categories and the investigation carried out will be arrive at a concept (Saunders et al., 2009). As can be seen from the research objectives the qualitative approach taken by the researcher will involve interviewing managers in organisations of the retail sector in Ireland where Performance Management takes place. This will in return develop an understanding on whether Performance Management is effective through the responses, attitudes and opinions of the interviewees as the interviews will be loosely structured.

Thus the majority of the methodology of this research will be done in an inductive manner. According to Collis & Hussey (2009) inductive research is where theory is formed from a study through the examination of the observed reality therefore general assumptions are made from certain instances which occur.

3.4 Ethical Issues and Procedures

Each participant in the interview process of this research will be issued with an informed consent form, a sample of which is shown in Appendix A. As described by Lapan & Quarraroli (2009), an informed consent form will provide the participant with information regarding the nature of the research being carried out, if there are any concerning risks and will provide the participant the choice to suspend from the research if desired at any stage. Elements of the consent form will also include the reassurance of the confidentiality of the interviewees so that they will be informed that they will be made anonymous throughout the duration of the research. This will
verify that the research being carried out refrains from incurring any unethical encounters and provides reassurance for the interviewees.

3.5 Population and Sample

In most research studies, according to (Lapan & Quartaroli, 2009: 44), ‘changes in measurements on a dependant variable resulting from an independent variable are studied using a small group of people known as a sample’. The sample is used in order to retrieve new information by the researcher that is relevant to a large group of people identified as a population. The population for the duration of this research will be the managers of the retail outlets (Argos, Iceland and Topaz) where Performance Management is in use. In order to select what sample will be chosen for the interview process and the questionnaires, random selection will be utilised. Lapan & Quartaroli (2009) depict how random selection involves a small group of people being selected at random so that each participant has an identical opportunity of being chosen from the large group of people, this method of selection therefore provides fair representation.

3.6 Data Collection, Editing and Coding

The research carried out will take an exploratory approach; this has been depicted by Robson (2002:52) as being useful to gaining an insight to ‘what is happening; to seek new insights; to ask questions and to assess phenomena in a new light’. As the selected applied research method for this project will be unstructured interviews, this is in the hope of retrieving new information from the managers to their attitudes of the effectiveness of Performance Management in their organisation. Saunders et al. (2009) state with exploratory research the researcher should be prepared to change direction if new information and insights appears.

3.7 Selecting an applied research method

Through the use of qualitative research the main methods used for this particular research will be unstructured interviews. The unstructured interviews will be prepared prior to the interviews taking place but will allow the interviewees to give open-ended answers in order to receive greater insight into their opinions and
perceptions and to gain more in-depth answers. As discussed by Colin & Hussey (2009), these types of interviews can be very time-consuming and maybe difficult to govern the extent of the topics and examine the data but the beneficial aspect to unstructured interviews is that they can lead to open discovery of information. This will be vital for this area of research in order to develop insight into the areas of the organisations where change management will need to occur.

It is proposed that the unstructured interviews will be carried out using critical incident techniques. Gubrium & Holstein (2001) describe these techniques as the interviewer encouraging the interviewees to establish their own account of events while keeping with the issues at hand, in order for the interviewers to gain in-depth and accurate information of the interviewee’s experiences.

3.8 Nature of Questions

The unstructured interviews will involve open ended questions being answered by the interviewees. As described by Grummitt (1980) the use of opened questions will allow and encourage the interviewees to express wide-ranging and progressive answers and can be used to expose the participant’s attitudes or to gather information from them. The opened questions will relate to the researchers objectives. Overall the use of open-ended questions for this research will lead in the finding of open discovery of information from the participants of the research through their attitudes, opinions and perceptions gathered from the answers.
4 The Companies Backgrounds

4.1 Argos

Argos is owned by the Home Retail Group. The Home Retail Group is the ‘market leader in home and general merchandise’. Argos was established in 1973 and is a unique catalogue retailer which is identified for ‘choice, value and convenience’. The retailer outlet sells general merchandise along with items for the household. There are currently 35 outlets in the Republic of Ireland and 690 in the UK. In the last financial year £4.3 billion was made in total revenue. (Argos, 2012)

In 1996 as stated by Argos (2012), the first Argos outlets opened in the Republic of Ireland in Limerick, Dublin and Nutgrove. The Argos website was launched in 2005 and currently has over 20,000 products online. In the Republic of Ireland, Argos employs 1400 employees making it one of the largest retail stores in the country.

According to the Irish Independent (2012), after a weak consumer electronics market resulted in a dive in profits, Argos announced in 2012 that they would experience store closures in the future. Its owner Home Retail Group confirmed that 230 store leases would be up for renewal and some of these stores would face closure. Unfortunately for the shareholders, Home Retail got rid of its final dividend meaning the Argos chain suffered a 9% drop in ‘like-for-like sales’ and a 60% drop in operating profits. Argos currently anticipates closing around 10 stores in the current financial year.
4.2 Iceland

Iceland is one of Britain’s fastest growing retailers and first opened its doors in the 1970s in Britain. The company’s continued success is largely due to its frozen food innovation and Iceland won a total of nine awards in the British Frozen Food Awards in 2011.

Iceland franchised into Ireland and opened their first retail outlet here in 2008. Their stores are found in Dublin in locations such as Ballyfermot, Coolock, Finglas and the Navan Road. Iceland’s flagship store is in the Ilac Centre which opened in November 2010. In 2011, Iceland went nationwide and opened stores in Ashbourne, Carlow and Clonmel. (Iceland Foods Ltd, 2012)

According to the Irish Independent (2011), the AIM retail group’s founder Naeem Manier announced that there would be between €35 million and €50 million spent on opening 40 Iceland stores in Ireland by 2014. AIM retail group owns the franchise in Ireland and intends to create 100 Irish jobs with the 40 Iceland store openings. In order to capitalise on the Iceland mode, AIM retail group have been looking at sites next to multiples and convenience stores.
4.3 Topaz

Topaz is a 100% Irish owned company that employs over 1200 workers across Ireland. Topaz provides home heating oil and fuel to ‘farmers, businesses, schools, churches, marines and transport customers at competitive prices’. The organisation cherish on delivering good customer relations, keeping their prices competitive and looking after their environment. Currently, they have over 300 service stations across the Republic of Ireland making Topaz the largest network of forecourt retail stores in Ireland. Along with the service stations, Topaz at present is one of the main suppliers of fuel in the country selling ‘either directly to our customers or via our network of Authorised Distributions’. (Topaz Local Fuels, 2012)

According to the Irish Times (2012) profits at Topaz, Ireland’s largest petrol retailer fell last year even though there was an increase in turnover of 19%. Reported earnings before ‘interest, tax, depreciation and amortisation’ at year end March 2011 had fallen by 9% on the previous year. There was no dividend paid to shareholders last year. Despite this, the company added 12 service stations to the Topaz network last year and visualise expanding their chain further in Ireland. The chairman of Topaz, Neil O’Leary, announced that despite the recession halting Topaz becoming an international brand, they still have future intentions of launching the brand in other countries.
5 Findings and Analysis

5.1 Introduction

The main aims of this chapter will be to describe the findings and analysis that have been concluded from the research methodology. A set of 10 questions were set up for the managers at the retail outlets through the use the semi-structured interviews for the qualitative research. This was to observe whether the Performance Management systems are effective in their stores.

Although in a general consensus, the Performance Management systems are effective overall there seems to be some areas of defects that became apparent with two of the organisations. The most up to date Performance Management system of the retail outlets interviewed derives from the Topaz store where they have moved from the paper based appraisals to an on-going Performance Management system which is carried out online. The primary goal of this research was to gain an insight into whether the systems are effective and if there is a need for change with the systems that are currently in use in Ireland in the retail industry.

5.2 Analysis of Interview findings

5.2.1 The Performance Management systems used in the retail outlets.

The first question that was posed to the managers at the retail outlets was regarding the Performance Management systems that was utilised at their stores. The system which Argos has in use is a performance review that is carried out on a yearly basis and involves a meeting occurring between the employee and his/her manager. With Iceland, performance reviews are carried out on a quarterly basis with the managers. Finally the system used with Topaz is one that has only recently been established in the past year, moving from the performance reviews being carried out on a quarterly basis like that of Iceland, to currently being done on an on-going basis with an online Performance Management system used by the managers at Topaz.
5.2.2 How the Performance Management systems work in the retail outlets

At Argos, the employees are given a set of questions firstly regarding their expectations and self-review. The employee rates themselves on a scale ranging from rarely to always. Following this, the employee is asked to rate themselves with regards to their own perceived performance and potential with Argos, this ranges from underperforming to exceptional. The employee is then asked to consider what they believe they need to do in order to drive their own performance (stop, start and continue in their roles) and what activities they believe will help them do so. The manager then formulates a set of objectives for the employee for the year ahead and provides them with a performance improvement plan.

With Iceland the performance reviews involve questions given to the employees to determine if there is anything they wish to achieve in their jobs and to train and develop the employee if needs be. The performance reviews are also used to promote employees.

The new Performance Management systems, involves the employees being communicated with on an on-going basis. When the employees are conversed with in regards to their performance, notes are then input on the online performance management system. The staff member is rated by the manager from poor to exceptional and these ratings are based on customer and sales focus. The HR department and head office at Topaz can then gain access to the individual's performance at all times.

5.2.3 Difficulties encountered with the Performance Management process

The Argos manager does encounter difficulties with the Performance Management process as he finds that it can be very time consuming and he is under constant pressure to complete a certain amount of Performance reviews within a specific time frame and this is highly challenging.

In comparison to the Argos manager, the manager at Iceland uses time management to implement the Performance Management process and as a result does not encounter difficulties with it. She believes that it is down to the managers...
themselves to determine how long or how quick the process should take with the employees.

At Topaz, the manager does not encounter difficulties and finds the new Performance Management system highly effective as communication with employees is constant on their performance. Opposite to the Argos manager’s difficulties with the time consuming review process, the Topaz manager obtains that the new system allows for a non-set time schedule for reviews in comparison to the old system.

5.2.4 The effectiveness of Performance Management in the workplace

The manager at Argos believes that Performance Management is effective if it is bonus related and that a certain amount of reward needs to be associated with the Performance Management system in order for the employees to be enticed by it. The system at Argos is not bonus related so therefore with regards to reward it is not effective. In terms of promotion the Performance Management system is effective as with the help of the appraisals carried out with the employees, their aspirations are taken into consideration and the employees are progressed further in their jobs.

At Iceland, the manager believes that the Performance Management system is effective as it contributes towards communicating with staff as a result of the system being in place. Along with this, the manager believes that the employees are more productive as a result of the system and they become more involved in their job roles.

The new Performance Management system at Topaz is found to be extremely effective by the manager. The employee’s performance is managed on an on-going basis rather than dealing with their performance at the quarterly year reviews with old system.

5.2.5 How issues experienced by employees are dealt with by the managers

If employees are experiencing difficulties in work at Argos, they are met with by their line manager on a one to one basis to try and resolve their areas of concern.
This is similar Iceland where the employees are also met with on a one to one basis outside of performance reviews. The line managers at Iceland will give more time to the employees who are experiencing the issues in order to help them and progress them further.

At Topaz, notes are implementing into the online system on the employees experiencing issues, this allows the HR department and head office to be notified and they can then advice the manager appropriately on how to deal with or help the employee at hand.

5.2.6 The manager’s reactions to implementing the Performance Management system

The manager at Argos believes that the Performance Management system is time consuming. He is demotivated by the system himself as he is not rewarded for his own performance, yet he has to meet the obliged Key Performance Indicators that are given to him at Argos.

Unlike the Argos manager the Iceland manager is much more positive regarding the Performance Management system. She believes it is integral to the organisation and she believes many benefits arise from the system such as progressing talent, developing the underperformers and communication between the managers and employees is more effective.

According to the Topaz managers, the managers are really positive about the new system which has been put in place. The old Performance Management system involved a vast amount of paperwork and was extremely time consuming. The new system is very secure as there is no paperwork left around regarding the employee’s performance. All information on the employee is online and can only be assessed using the manager’s user code and password.
5.2.7 Whether managers meet with employees on an on-going basis outside of quarterly/mid-year and end of year reviews

If the employees at Argos are experiencing issues and are underperforming in their work then yes they are met with on a monthly basis in one to one meetings to resolve these issues. If the employees are performing good then they may not need to be met with on an on-going basis.

Similar to Argos, Iceland meet with their employees on an on-going basis if they are experiencing issues. More time is also spent with the employees who have been chosen to be developed or moved further in the organisation.

At Topaz, the employees are met on a constant basis and communication regarding their performance is on-going.

5.2.8 The support that is given to employees in carrying out their required expectations

The performance improvement plan that is given to the Argos employees helps them understand the expectations required of them. More one on one time is spent with the employees who have been set expectations at Iceland for instance training and developing them in a new area of work. If an employee is being training in a new area of work, then their manager will spend 2-3 weeks training the particular employee.

The employees at Topaz are given development plans and these plans outline their expectations. Managers are always talking to the employees with regards to their expectations and if training is required in any area then they are supported by management.
5.2.9 Whether necessary information is given to managers to support the implementation of the Performance Management system

At Argos, the HR department are very helpful if there are issues with the Performance Management system. The HR department and head office support the managers at Iceland. If there are any queries then the HR department will get back to the managers within the week. Also at Iceland, directors come and visit the stores on a weekly basis to show their presence and provide a support network for the managers.

The new Performance Management system at Topaz provides all the necessary information needed online and a support network is also available for the managers if they have any queries with regards to their performance.

5.2.10 The methods used to provide feedback on Performance Management to the employees

The performance improvement plans that are given to the employees are used as feedback for them at Argos, these plans highlight the areas of concerns that the manager may have with the employees. The plans also include feedback on areas the employees need to focus on to improve their work and will set their objectives for the year ahead.

The feedback given to the employees at Iceland is done in a positive manner to encourage them with their work. The feedback focuses on areas in which they need to be developed further and bad reviews tend to be avoided as much as possible.

Feedback at Topaz is continuous all of the time. The development plans given to the employees outline what they need to ‘start doing, stop doing and continuing doing’. The feedback generated helps improve their performance.
Conclusion and recommendations

The semi-structured interviews which the researcher carried out with the managers were done using a qualitative approach with open-ended questions that were analysed to develop an in-depth review on whether Performance Management systems are effective in the organisations.

The conclusion that was generated from this research is that there are definitely some defects apparent with the Performance Management systems in use at two of the retail outlets – Argos and Iceland. The most up to date and effective system was that of Topaz with their online Performance system which is a prime example of how Performance Management systems should be implemented in Ireland at present.

Argos’s review process is held on a yearly basis which is a long period of time to have between the reviews. As described by Torrington et al. (2008) in the literature review, a downfall with appraisals is the employee maybe over looked until the next appraisal takes place. The large gap between the reviews at Argos means that an individual’s performance can be affected as they may not be aware of how they are progressing with their work. This can also be a downfall for the managers as they are not measuring the employee’s performance on an on-going basis, therefore if an employee is underperforming in their work the manager may not be aware of this.

Iceland’s use of quarterly reviews can be quite effective but the most advanced of the retail outlets in this research was that of Topaz’s Performance Management system, which allows for on-going measurement and review of performance – this is highly effective. Fisher (1995) stated above that appraisals should be on-going.

The grading system which Argos uses for their employees would be a lot more effective if the PMS was done on an on-going basis. The performance reviews used at Iceland were very simplistic and although they are effective in terms of promoting the staff, there are no set of objectives established for the employee to work on. As specified in Gunnigle and Flood’s (1990) performance appraisal loop when carrying out a structured appraisal, objectives should be established, communicated and agreed. Again the performance system at Topaz is highly effective as the employees are communicated with at all times in regards to their performance.
The Argos manager finds the appraisals time consuming. This is a difficulty which De Waal and Counet (2008) highlighted in the literature review and can often result in an impediment in utilising Performance Management as it requires focus and time. As described by Armstrong and Baron (2005) formal training maybe required for the manager at Argos to help him effectively manage his time when it comes to implementing the PMS. The manager at Iceland effectively uses time management and the manager at Topaz has a non-set time schedule so can implement the PMS at her own pace which she finds very effective.

The PMS is not bonus related at Argos therefore the manager believes that this is negative but the system is effective in terms of promotion. The manager should have a different outlook on this as there is currently a recession on-going in Ireland and Argos have seen a dive in profits so may not be financially able to bonus reward their employees and managers for their performance. Non-financial rewards such as promotion of employees can be highly effective. At Iceland the manager believes that employees are more involved in their jobs as a result of the PMS being implemented and this makes the PMS very effective. This is a prime example of how non-financial rewards can be linked to performance. As Armstrong (2006) describes above, job engagement allows individuals to be more involved and motivated by their jobs.

The highly positive reactions from the manager at Topaz to implementing the new PMS suggests that an online PMS is the way forward for other retail outlets in Ireland at present. The confidentiality and security of placing the information online with the use of passwords and usernames is ideal. The PMS at Topaz matches that of the online 360 degree feedback which CIPD (2009a) discuss and recommend in the literature review providing confidentiality, interactiveness and preciseness.

Argos only meets their employees on a monthly basis outside of the yearly reviews if they are experiencing issues and underperforming. This is not an effective PMS. It is recommended that the employees are met with on a regular basis every week if they are experiencing issues. In the long run this will contribute towards progress and developing the individuals further with their performance. Also the employees that
are performing well at Argos are not often met with outside of the yearly reviews to discuss their performance. This can demotivate the good performers as they may feel they are not being recognised for their strong performance and it is overlooked until the subsequent year’s review. Walker’s a-z theory of effective Performance Management highlights that managers should spend time with the excellent performers as well as the underperformers.

The main recommendations concluded from the above for effective Performance Management to be achieved for the retail outlets in Ireland is –

- Retail outlets need to move away from paper based appraisals to inputting the information through a secure system online.
- Implement a 360 degree feedback system so the PMS is on-going and interactive at all times.
- Meet with the strong performers along with underperformers outside of the reviews.
- If businesses are experiencing a fall in profits with the recession Use non-financial rewards to rewards staff rather than financial rewards.
- Performance Management systems should be on-going to receive the highest quality of performance from the individuals in the organisations.
Bibliography


• Walker, S (2011) Practical and Effective Performance Management How excellent leaders manage their staff and teams for top performance, Universe of Learning Ltd, UK
Appendix A

CONSENT FORM

In signing this form, I am hereby giving my informed consent to my participation in the mentioned research. I understand that I will be part of a research study that will focus on the redundancies in the workplace.

I understand that I will answer interview questions and it is expected to take about twenty minutes to complete.

I have read the participant cover letter included and have been informed of my rights and the voluntary nature of the interview. I have been assured confidentiality and to be made anonymous. I have been informed of my right to withdraw from the study at any time and without penalty. I have been informed of the expected outcome of the study in relation to its findings being published.

Date

Interviewee’s Signature

Interviewer’s Signature
Appendix B: Semi Structured Interview with Argos Manager.

‘A review of the effectiveness of Performance Management in the retail industry in Ireland’

1. What is the Performance Management system used here?
A store ‘Colleague Performance Review’ is carried out on a yearly basis. This is a one on one meeting between the employee and his/her line manager.

2. How does it work?
The employee is given a set of questions regarding their role this involves their expectations and self-review. The questions involve the employee rating themselves on a scale from rarely to always in terms of their role. Next the employee rates themselves in regards to their performance and their potential with Argos. This rating is on a scale from underperforming to exceptional. Following this the employee will consider what they need to do to drive their own performance, what they would stop, start and continue in their role. The employee is then asked to consider what activities they need to support this.

The employee is given a set of objectives by the line manager for the year ahead and a performance improvement plan.

3. Have you encountered any difficulties in carrying out the Performance Management process? (i.e. time, find it hard to commit, lack of knowledge)
Yes as a line manager, I find that the Performance Management process can be time consuming as I am obliged to carry out 25% of the staff reviews per quarter, this is very challenging.

4. Do you find that Performance Management is effective in your work place? Why?
If bonus related then yes Performance Management is effective. A certain amount of reward needs to be associated with the Performance Management system for employees to
be enticed by it. With Argos, the system is not bonus related therefore with regards to reward it is not effective.

In terms of promotion the Performance Management system is effective with Argos, as through the appraisals employee's aspirations are taken into consideration and employees are developed further.

5 If employees are experiencing issues how are they dealt with?

If employees are experiencing difficulties in work then they are met with on a one to one basis with their line manager to try to resolve their areas of concern.

6 How do managers react to implementing the Performance Management system?

As stated already I believe the Performance Management system is time consuming and as a manager myself, I believe that the system is demotivating as we are not rewarded ourselves yet we are obliged to meet the Key Performance Indicators with Argos.

7 Do managers meet with employees on an on-going basis outside of the mid-year and end of year reviews?

If employees are experiencing issues and are underperforming in their roles then yes they are met with on a monthly basis in one to one meetings to resolve these issues. If the employees are performing well then they may not need to be met with on an on-going basis.

8 How are employees supported in carrying out the expectations that are required of them?

The performance improvement plan that is given to the employees will help them understand the expectations required of them.

9 Are the managers provided with the necessary information they need to implement the Performance Management systems?

Yes, the HR department are very helpful if there are issues with the Performance Management system.
10 How is feedback provided on the Performance Management system? Are employees given feedback from the outcome of their performance in order to improve it further?

As stated earlier the employees are given a performance improvement plan this will highlight the areas of concern and where the employee needs to focus on to improve with their work. This will also set their objectives for the year ahead.
Appendix C: **Semi Structured Interview with Iceland Manager.**

‘A review of the effectiveness of Performance Management in the retail industry in Ireland’

1. **What is the Performance Management system used here?**

   Performance reviews are carried out with the employees here every three months.

2. **How does it work?**

   The reviews entail finding out if there is anything the employees wish to achieve in their roles, to train and develop employees further and the reviews are also used for promoting employees.

3. **Have you encountered any difficulties in carrying out the Performance Management process? (i.e. time, find it hard to commit, lack of knowledge)**

   As a manager I believe it is all about time management, once you manage your time correctly then there should be no difficulties where time is concerned. The reviews can be as long or as quick as you want them to be.

4. **Do you find that Performance Management is effective in your work place? Why?**

   Yes Performance Management is effective as you are communicating with your staff through the system. Also I believe employees are more productive as a result of the system and are more involved in their roles.

5. **If employees are experiencing issues how are they dealt with?**

   If the employees are experiencing issues then they are met with outside of these reviews on a one to one basis. They will be given more time by their line manager to help them develop and progress.

6. **How do managers react to implementing the Performance Management system?**

   From my own experience managers believe the Performance Management system is an integral part of the organisation as many benefits arise from the system – helps progress.
talent, develop underperformers and communication between managers and employees is much more effective.

7. Do managers meet with employees on an on-going basis outside of the mid-year and end of year reviews?

If employees are experiencing issues then yes they are met with on an on-going basis outside of their reviews. Also if employees have been chosen to be developed or moved further within the organisation then more time is spent with them.

8. How are employees supported in carrying out the expectations that are required of them?

More one on one time is spent with employees who have been set expectations such as being trained and developed in a new area of work. Often managers will spend 2-3 weeks with a particular employee to train them in a new area.

9. Are the managers provided with the necessary information they need to implement the Performance Management systems.

Yes managers are supported by head office and the HR department. If there are any queries then they will get back to you within the week. Directors also visit the shop every week to show presence and provide a support network for managers.

10. How is feedback provided on the Performance Management system? Are employees given feedback from the outcome of their performance in order to improve it further?

In general feedback is very positive with employees to encourage them with their work. The feedback focuses on areas they need to develop in and bad reviews tend to be avoided as much as possible.
Appendix D: Semi Structured Interview with Topaz Manager.

‘A review of the effectiveness of Performance Management in the retail industry in Ireland’

1. What is the Performance Management system used here?

The Performance Management system was changed within the past year. Performance reviews used to take place on a quarterly basis per year but they are now carried out on an on-going basis online with the new system.

2. How does it work?

The employees are communicated with on an on-going basis with regards to their performance, the notes from this communication with the employee is input on the system online as they occur. The staff member is rated from poor to exceptional with 5 options and these ratings are based on their customer focus and sales focus. As it is all carried out online, head office and the HR department are given access to the individuals performance at all times. There is no longer one on one appraisals with staff, Performance Management is on-going with Topaz at all times.

3. Have you encountered any difficulties in carrying out the Performance Management process? (i.e. time, find it hard to commit, lack of knowledge)

The new system is very time effective for managers, communication with staff is constant with staff on their performance and input online. Therefore there is no set time schedule for appraisals as was with the old system.

4. Do you find that Performance Management is effective in your work place? Why?

Yes, I find Performance Management to be extremely effective as with the new system managing the performance of staff is constant rather than dealing with their performance at quarterly year reviews like before.

5. If employees are experiencing issues how are they dealt with?
If there are problems with employees, notes are implemented into the system online regarding the employee, head office and the HR department are then notified about this and can advise the manager appropriately with how to deal with or help the individual at hand.

6 How do managers react to implementing the Performance Management system?

Managers are reacting really positive to the new performance system, prior to this there was a great deal of paperwork with the old system so it was extremely time consuming. The new system is much more secure also as there is no paperwork left around regarding the employee’s performance, any notes written on the employee online can only be accessed using the manager’s user code and password.

7 Do managers meet with employees on an on-going basis outside of the mid-year and end of year reviews?

Yes, employees are constantly met with and communicated with to discuss their performance on an on-going basis.

8 How are employees supported in carrying out the expectations that are required of them?

Employees are given development plans for their performance, this will explain the expectations that are required of them. Managers are always talking with staff with regards to their expectations and if they need training in any area then they are supported by management.

9 Are the managers provided with the necessary information they need to implement the Performance Management systems?

The new Performance Management system online provides all the necessary information for managers and is available as a support network for managers if they have any queries with regards to the Performance Management system.
10 How is feedback provided on the Performance Management system? Are employees given feedback from the outcome of their performance in order to improve it further?

Feedback to staff is continuous all of the time. With the development plans, employees are communicated with what they need to start doing, stop doing, and continuing doing. This helps improve their performance.