An Investigation into the perceptions of employee performance management in the UK retail industry

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Abstract
Performance management has undergone a great deal of change over the last twenty years as it has become a key strategic business tool. Therefore, the area of performance management has been subject to considerable academic and business interest. Performance management plays an important role in motivating employees to improve individual and organisational performance; this motivation is key within the retail industry due to the fact that there is a high emphasis on customer service interaction, highly motivated and trained employees facilitate high levels of customer service (Clodfelter, 2013). Despite this, there has yet to be a research study specifically looking into the perceptions of performance management within the UK retail industry, this research study aims to achieve that.

The research philosophy adopted for this research was a quantitative, positivist epistemological position, involving a closed question questionnaire which established the profile of respondents, the characteristics and attributes of the performance management systems present in their organisation, and finally, their perceptions on the performance management system.

This research study found that 69% of UK retail businesses have a performance management system, that there is a greater emphasis on development than rewards, that line managers are the prominent providers of performance management, and that appraisal meetings are the most common performance management tool utilised. In regards to the perceptions of these systems it’s evident that performance management is perceived as being a continuous process which links individual and organisational objectives. Furthermore, it is evident that performance management is motivating employees which is having a positive impact on individual and organisational performance.

Keywords
Performance Management, Retail Industry, employee motivation.

Introduction
This research set out to investigate the perceptions of performance management within the UK retail industry. This section provides an overview of this research project; beginning with an explanation of the rationale of the research, followed by the aims and objectives of the research, and finally, the structure of the research.

Rationale
The rationale behind this project was to identify the perceptions of Employee Performance Management (PM) within the UK retail industry. Three important points are highlighted as the key starting point for research. Firstly, the retail sector represents an important segment of the UK economy. Domestic retailers employ over three million people, account for 10% of the UK workforce and generate more than 5% of the value generated by the UK economy each year (Gov, 2014). Therefore, there is a high emphasis on effective customer service to ensure customer satisfaction when staff and customers interact; highly motivated and trained employees
facilitate high levels of customer service (Clodfelter, 2013). Performance Management plays an important role in achieving high levels of motivation, by making sure employees are effectively trained, by harmonising individual objectives with corporate objectives and ensuring managers gain a thorough understanding of their employees (Aguinis, 2005). Through this, retailers will be able to utilise their human capital resources in the most effective and efficient way possible, resulting in higher levels of customer satisfaction. Additionally, the vast human capital and revenues of retailers in the UK requires their workforce to be sufficiently trained, motivated and developed in order to gain a competitive advantage; further exemplifying the high importance of Human Resources and therefore performance management within the industry.

Secondly, despite the importance of this industry, the UK retail industry is currently undergoing significant structural changes due to shifting purchasing habits (Mintel, 2013). This has been due to the growth in convenience stores and online shopping. Evidence shows that convenience stores and online sales are outpacing supermarket sales as households shop for groceries more regularly (Mintel, 2014). To exemplify this trend, Mintel (2014) forecasts that by 2019 the supermarket segment will have declined by 24%, the convenience segment will have grown by 27%, and online by 8%. In order to effectively react to these changes, retailers must ensure that their workforce are fully committed, trained and motivated, with aligned objectives at all levels, to successfully achieve organisational change to adapt to these structural changes as quickly as possible, in order to create or sustain their competitive advantage(s). Therefore, it is clear that they key to retail survival is by ensuring that you are ahead of the competition. With an integrated and effective performance management system retailers can ensure that each and every employee has the means to make the right decisions, which are in line with over-riding corporate objectives, leading to more effective business decision making and ultimately, staying ahead of the competition (Mullie and Hill, 2004).

Thirdly, although there has been various surveys on performance management, there is no evidence of research in the retail sector. Various research has been carried out looking into the perceptions of Performance Management. Worldatwork (2010) carried out an extensive research project on the current state of Performance Management in the United States. The Chartered Institute of Personnel and Development (CIPD) carries out frequent surveys on Performance Management (including perceptions) in the UK with the Performance Management in Action survey (2009), two Employee Outlook Surveys (2013 & 2014) and an extensive survey report on Performance Management (2005). However, there has yet to be a research study looking into perceptions of Performance Management specifically in the retail industry.

Research Aim, Objectives and Questions
This project aimed to investigate perceptions of performance management systems from the perspective of both employees and managers within the UK retail industry. As previously mentioned, there is a lack of research on this topic within retail, this project therefore opened up the opportunity to assess lived experiences of retail employees and manager’s perceptions of the performance management system present in their organisation. The objectives of this project were:

1. To evaluate performance management systems currently being used in the retail sector;
2. To identify key attributes of the performance management systems being used by retail sector organisations;
3. To examine perceptions of performance management within their respective organisations.

In order to achieve the research aim and objectives a self-completed questionnaire was developed that used closed, investigative questions, which aimed to seek closed responses from participants in order to gather quantitative and categorical data which was analysed and presented in graphical form. This research project contained a very large populations. Therefore, a sample was drawn upon, to be truly representative this sample should contain the same relevant characteristics of the population (Pellissier, 2008). In order to gather the right amount of data to achieve the research aim and objectives, snowball sampling was utilised. Bryman (2011) defines snowball sampling as ‘the researcher makes initial contact with a small group of people who are relevant to the research topic and then uses these to establish contact with others’. Additionally, data was collected through an online survey software called Qualtrics.
The following section consists of a critical review of the surrounding literature, specifically focusing on a clarification of the nature and purpose of performance management, the typical performance management process, and its various tools. This is followed by an introduction to the research methodology carried out during the research process, with a detailed explanation of each characteristic. The research findings are then highlighted and also a discussion of the findings is provided. The final section concludes the research and includes recommendations for industry and future research in the field of performance management within retail.

**Literature Review**

This section provides the premise for this research project; firstly, definitions of performance management must be outlined, leading to a working definition that is specific to this research project. Secondly, due to the fact that this research project is investigating perceptions, it is important to consider the theory behind perceptions. Thirdly, it is important to discuss the history of performance management and how it has evolved to where it currently is now. Finally, it is of high significance to discuss performance management systems, and within this section to discuss the purpose, tools and process of performance management systems.

**Introduction to Performance Management**

Despite the fact that Human Resource Management (HRM) has been widely documented as being key in sustaining organisational success and competitive advantage, it has consistently been subject to high levels of contention in regards to its contribution to a company’s bottom line (Yusoff et al, 2009). Over the last twelve months HRM has become under even greater scrutiny than before, to justify its involvement within a business, as business leaders want to ensure they maximise value across the value chain (Bailey, 2014). Kim and Ployhart’s (2014) study on the relationship between effective HRM and productivity before, during, and after the recent recession provides empirical evidence that firms with effective HRM out-produce and outperform competitors before a recession and recover quicker after a recession. However, with HR being the most ‘intangible’ element of the value chain it can be difficult for HR professionals to argue the case that HR does contribute to a company’s bottom line. It is clear that employees and managers perceptions will have a significant effect on the justification of HRM contribution because attitude surveys (perception surveys) are one of the most common method of establishing employees’ attitudes to the workplace (Haynes and Bobrow, 2002). CIPD (2014) reports that 30% of employees consider their performance management process to be unfair. Therefore, if employee’s perception of performance management is poor, their overall perception of HRM as a whole is highly likely to be negative. Performance management has evolved from a heavy bureaucratised process, into one the most important management tools within a successful business, and arguably the most integral part of HRM (CIPD, 2009).

**Definitions, leading to a working definition**

There are a wide range of definitions of performance management composed by various authors, and for the purpose of this paper the three most relevant definitions were drawn upon, leading to working definition for more specificity.

Plachy and Plachy (1988) defined performance management as:

“Performance management is communication: a manager and an employee arrive together at an understating of what work is to be accomplished, how it will be accomplished, how work is progressing toward desired results, and finally, whether the performance has achieved the agreed-upon plan. The process recycles when the manager and employee begin planning what work is to be accomplished for the next performance period. Performance management is an umbrella term that includes performance planning, performance review, and performance appraisal”

Lee (2005) defined performance management as:

“The real goals of any performance management system are threefold – to correct poor performance, to sustain good performance and to improve performance”
Aguinis (2005) defined performance management as:

“A strategic, continuous process of identifying, measuring and developing performance in organisations by linking each individual’s performance and objectives to the organisations overall mission and goals”

Plachy and Plachy’s definition (1988) of performance management provides an extensive, but out-dated definition, drawing upon the continuity of performance management with the term ‘recyclable’ and also highlights the key components: performance planning, performance review, and performance appraisal. Most importantly, this definition highlights the importance of relationship building between manager and employee, relationship building is seen as key between managers and individuals in order to gain a competitive advantage; performance management helps facilitate this relationship building and in turn helps establish a continuous improvement and development culture (CIPD, 2014). Lee’s definition (2005) bestows a restricted view of performance management yet still highlights the main goals of performance management; to correct poor performance, to sustain good performance and to improve performance. Aguinius’ definition (2005) gives rise to the strategic value of HRM as well as highlighting the importance of objective harmonisation. However, Aguinis’ definition lacks emphasis on the manager and employee relationship. Additionally, none of these three definitions highlight the importance of creating a performance management culture. Pulakos (2009) explains that if a performance management system is to be effective then a culture must be present where all members of the organisations must accept it, believe it is worth their time and be motivated to use it, otherwise the system will be neglected and only deemed as an administrative task.

For the purpose of this research project, performance management was defined as:

“A strategic and continuous process between managers and employees that includes planning, reviewing and appraising performance in order to correct poor performance, to sustain good performance and to improve performance through the harmonisation of individual and organisational objectives, to create a high performing culture where performance management is embraced by all employees and managers”

Perception Theory

This project explores perceptions in the workplace; therefore, it is important to consider how people perceive information, objects and people, and how this affects their decision making. According to Barber and Legge (1976) perception is “about receiving, selecting, acquiring, transforming and organising the information supplied by our senses” and can therefore be defined as a process where people select, organise, and interpret sensory stimulation into a meaningful and coherent picture of the world (Berelson and Steiner, 1964). It is clear that even though people may look at the same sensory input as one another, they may perceive it differently; Robbins et al (2010a) states that there are three main factors which directly affect ones perceptions, these include factors in the situation (time and the social setting), factors in the perceiver (their attitudes, motives, interests and experiences) and factors in the target (motion, sounds, size and proximity). Thus, if the perceiver of a performance management system has negative past experiences, has a negative attitude or has little interest or perceived value towards performance management then their perception is likely to be negative, and vice versa. A ground-breaking study conducted by Bowen and Ostroff (2004) found that HR outcomes depended heavily on employee perceptions, cementing the view that if employees and managers perceive performance management negatively, then its outcome is highly likely to be negative.

A key element of perception, which, for the relevance and purpose of this research project should be drawn upon, is the relationship between perception and decision making within organisations. Robbins et al (2010b) states that decision making occurs as a reaction to a perceived problem or situation. Therefore, if a manager perceives that one of his employees has been making the wrong decisions then the manager is likely to make the decision to bring this problem up within the performance management process, which could, consequently lead to the employee’s perception of performance management changing and therefore his/her decision making in the future. A study carried out by Cornell University (2011) found that HR practices (such as performance management) have effects on employee behaviours, depending on the motives that employees perceive those
practices to be. For example, if employees perceived performance management as a tool to developing organisational performance then employees would exert positive behaviours and be more engaged with the performance management exercise. What we can conclude from this section of the literature review is that organisational, managerial and employee perceptions have a major part to play in the effectiveness and overall value of performance management and human resources as a whole.

The History and Evolution of Performance Management
Performance Management was implemented in a business context as early as the 18th century, where the industrial revolution provided the platform for the employer and employee relationship (Stockwell et al, 2005). During the industrial revolution industrial managers understood the positive link between employee performance and output productivity (Grote, 1996).

The early work of Maslow (1954) and Herzberg (1968) drew special attention to motivation and its effect on performance. Maslow, with his hierarchy of needs, argued that people are motivated by fulfilling certain sequential needs. Literature translates that Maslow’s hierarchy of needs has been continuously applied to performance management (Hall, 1968; Mitchell, 1984; Mitchell & Moudgill, 1976; Leech, 2007). A prime example of this application can be shown through the work of Kandula (2006), who highlights how Maslow’s hierarchy of needs can be applied to different levels of performance management strategy; for example, employees who are no longer motivated by physiological needs (food, water, clothing and shelter) and security needs (employment, resources, property and health), and are now instead motivated by social needs (acceptance, belongingness and recognition within social settings) require team/culture-based performance management. In this case reward-based performance management would be an insufficient motivating tool.

Conversely, Herzberg (1968) contended that job satisfaction and job dissatisfaction, have a direct effect on motivation and productivity within the workplace, and that satisfaction and dissatisfaction are affected by two different drivers; hygiene factors and motivating factors.

Peter Drucker (1954) highlighted the importance of harmonious individual and organisational objectives in ensuring high performance. From this, Drucker developed ‘Management by Objectives’ which acted as catalyst to developments in Strategic HRM. However, due to Drucker’s management by objectives often failing because it lacked support from management, and also lacked emphasis on performance feedback, Latham and Locke (1979) developed the ‘Goal Setting Theory’ (Armstrong, 2006). Latham and Locke’s goal theory placed high emphasis on continuous feedback, stating that it is by far the most important component of the goal setting theory in enhancing individual and business performance (Burke et al, 2008). With over 400 laboratory and field studies conducted to support the supposition, Latham and Locke’s theory provided a platform for further developments within performance management, based around feedback (Locke, 2006).

In 1978 the U.S. Office of Personnel Management was established from the famous Civil Reform Act which required agencies to develop appraisal based around employee performance (OPM, 2014). This reform raised high attention to the benefits of strategic performance management and lead to popular holistic developments in performance management through the 1980’s and 90’s (Williams, 1998). Modern performance management can now been seen as a strategic, continuous process of identifying, measuring and developing performance in organisations by linking each individual’s performance and objectives to the organisation’s overall mission and goals (Aguinis, 2005).

Previous Research on Perceptions of Performance Management
Various research has been carried out looking into the perceptions of performance management. Worldatwork (2010) carried out an extensive research project on the current state of performance management in the United States. The Chartered Institute of Personnel and Development (CIPD) carries out frequent surveys on performance management (including perceptions) in the UK with the performance management in Action survey (2009), two Employee Outlook Surveys (2013 & 2014) and an extensive survey report on performance management (2005).
CIPD’s Performance Management Survey conducted in 2005 found that 84% of 506 respondents either strongly agreed or agreed with the statement that performance management links individual objectives with organisational objectives. Additionally, this survey also found that 75% of 506 respondents either strongly agreed or agreed with the statement that performance management motivates individuals at work.

CIPD’s 2009 Performance Management Survey found that there was a high level of disagreement in terms of the impact performance management has; 59% of 507 respondents neither agreed nor disagreed with the statement that performance management has a positive impact on individual performance, with 18% agreeing and 15% disagreeing. Likewise, 56% of 597 respondents neither agreed nor disagreed with the statement that performance management has a positive impact on organisational performance.

CIPD’s Employee Outlook Survey conducted in 2013 found that 27% of 2,580 respondents stated that they had never received a performance review. However, 54% of 2,580 respondents stated that they had received a performance review in the last 12 months.

Finally, CIPD’s 2014 Employee Outlook Survey found that 39% of 2,193 respondents claimed that their performance management systems were fair, with 31% of 2,193 respondents claiming that theirs was unfair.

Despite this, there has yet to be a research study looking into perceptions of performance management specifically in the retail industry, the vast human capital and revenues of retailers in the UK requires their workforce to be sufficiently trained, motivated and developed in order to gain a competitive advantage. This places a high importance on Human Resources and therefore performance management within the industry. This research will fill the gap currently present within research on performance management within retail.

**Performance Management Systems**

Traditionally, HRM, along with performance management has evolved from an administration based vehicle, centred on assessing performance and simply allocating reward, to a now recognised strategic value chain, line manager driven activity which can have a critical effect on individual performance (Torrington 2011a). Accompanied by this rapid evolution, the performance management systems and processes present in organisations have also experienced a great deal of change, and with that research to support and to improve effectiveness and efficiency. The Hay Group (1995) report how performance management through the late 20th century evolved from a once-a-year event to an ongoing process, producing major culture changes within organisations, due to higher levels of integration and managerial capabilities. Furthermore, Armstrong and Baron (2000) state that performance management has evolved from a monolithic system to a flexible process, which is now owned by the users, not the human resources department. However, CIPD (2014) now reports how performance management has experienced much more continuity in comparison to the late 20th and early 21st century, with organisations making minor changes to their established performance management systems.

**Purpose of Performance Management**

Among academics there is a high degree of agreement in regards to the purpose of performance management (CIPD, 2009), which is to achieve better results from both individuals and the organisation by managing performance effectively and continuously developing performance (Armstrong, 2010). However, despite there being a clear agreement among academics, this is not the case within industry (Kramer and Syed, 2012). Various research (Zvavahera, 2013; Bourne 2011; Wallace, 1992) has supported this view that performance management is not clearly understood by employees, which ultimately is one of the main cause of performance management failure (Bacal, 1993; Armstrong, 2014; Despres 2011; Dongor-Struiken, 2011).

It is also of the view that the purpose of performance management systems is to either be development driven or reward driven (Torrington et al, 2011b) through the work of Armstrong and Barron in 1997 (CIPD, 2009). It is clear that these two vehicles are related, but it is often difficult to implement and cater for both (SHRM, 2014). Furthermore, research suggests that these two vehicles have different outcomes, with the ratings used for rewards tending to be more lenient, whilst the ratings used for development being more variable, with greater
emphasis on room for development (SHRM, 2014). A CIPD survey (2014) produced some interesting results on these two purposes of performance management; 59% of respondents estimated that the monetary rewards they have received over their career have been linked to their performance review within their associated performance management systems at the time. Interestingly, just 22% of employees stated that their organisations performance management systems were effective in developing their performance in the workplace. This study draws attention to how most performance management systems are reward driven, or at least, perceived as being reward driven.

**Tools of Performance Management**

There are a wide range of performance management tools (or methods) used by organisations. Therefore, the main tools used by organisations have been used as the basis for discussion, based on survey results gathered from the ERC (2012) and the CIPD (2009). Data from these surveys suggest that the most common performance management tools are as follows: objective setting (90%), performance appraisal (81%), self-appraisal (70%), performance related pay (45%), 360 degree feedback (42%), team performance evaluation (37%), and peer reviews (35%). Each performance management method will now be discussed.

**Performance Appraisal**

Performance Appraisal was once seen as the main method of reviewing employees’ performance in the workplace. However, since organisations realised that there was more significance in developing an individual’s performance, and the strategic value in doing so, meant that performance management started to rapidly overtake performance appraisal, with the latter now seen as a tool of performance management overall (Pareek and Rao, 2007). Despite its popularity within organisations, performance appraisal has received heavy criticism with anecdotal, empirical and personal experiences highlighting an array of problems with performance appraisals (Roberts, 2003), namely rating biases and poor communication (Pregitzer & Roberts, 2007).

**Peer Review**

Peer review is the evaluation of workplace performance by colleagues of equal rank against established performance criteria, it arose due to managers seeking time and cost savings through performance management (Schneier et al, 1995). Peer reviews are most appropriate where teamwork is critical to job success, namely head office retail environments where departments must form effective teams in order to succeed, in turn, peer review promotes higher levels of teamwork (Pope, 2005). Due to the fact that peer reviews are a subjective tool of performance management, it is susceptible to human-based errors (Bhattacharyya, 2011). However, peer review pitfalls can be avoided through proper preparation and implementation, making peer reviews a valuable and useful performance management tool (Schneier et al, 1995).

**Team Performance Evaluation**

Much like peer reviews, team performance evaluation is most appropriate in organisations where teamwork is more critical to success than individual work. As such, team performance evaluation revolves around rewarding team-based performance, rather than individual performance (Deb, 2009). Team based evaluation is a modern approach to performance management and has increased in popularity after its profound success within the health care industry (Drumm, 2006).

**360 Degree Feedback**

A performance management tool that gathers feedback on individual performance from a wide variety of sources, including, colleagues, customers and suppliers (CIPD, 2014). 360-degree feedback was first developed as early as World War 2; the German military recognised the value of gaining insights on performance from multiple individuals, leading to a more effective evaluation of performance (Fleenor & Price, 1997). 360 degree feedback has gone on to become one of the most popular performance management tools since its growth in popularity (Lobsenz et al, 2004) during the late 20th century and early 21st century (Fleenor et al, 2008).
Self-Appraisal
Self-appraisal requires employees to give feedback on their own performance, define their training needs and outline their development needs (Bhattacharyya, 2011). Self-appraisals are mostly common when integrated with other tools of performance management (Pope, 2005). For example, a manager will ask an employee to complete a self-appraisal and then the manager will appraise the employee his/herself. However, if the manager and employee are separated on the views of the individual’s performance then this can result in the individual dismissing the feedback, becoming demoralised and unmotivated. Research suggests that this is the case as employees, on average rate their performance at the 78th percentile within the office/workplace (Pregitzer & Roberts, 2007).

Performance Related Pay (PRP)
Performance Related Pay is a commonly used tool of performance management, with financial reward usually tied in with other tools from which reward can be distinguished (Atkinson and Shaw, 2002). The goals of PRP are to encourage high performance levels, and to embed a high performance culture across the organisation (CIPD, 2014). PRP was predominant in the private sector but has now been translated to the public sector where it forms around 10% of pay on average (Toynbee, 2013). Performance Related Pay is very popular within retail, around 5,000 Tesco managers and directors are entitled to performance related pay (Wallop, 2012). Despite its popularity, PRP has continuously been under criticism due to its over-emphasis on short term performance over long term organisational objectives (Nunberg, 1992). Additionally, CIPD (2012) report that 49% of employees are dissatisfied with the pay decisions made at their organisation.

Objective Setting
Objective setting is the basic term for Drucker’s ‘Management by Objectives’ (MOB (1954)), previously outlined in the history and evolution of performance management section. Management by objectives involves defining concrete and specific objectives so that managers and subordinates understand what the employee is expected to achieve, usually in the form of SMART objectives (Pulakos, 2009). Drucker’s work on the development of MOB paved the way for future development in performance management, with Latham and Lockhart (1979) developing their ‘Goal Setting Theory’ from the basis of Drucker’s work, implementing an emphasis on continuous improvement of performance management systems.

The Performance Management Process
Due to the fact that a performance management system process is derived firstly from organisational objectives down to individual objectives it is important to highlight how these objectives are articulated across organisations, Torrington’s (2011) ‘objective setting cascade’ depicts that objectives cascade down the organisation from the board level, to functional levels, to departmental levels, to team levels and finally, to individual levels. Torrington then states that feedback on these objectives goes back up the organisation (from the individual level to the board level). Torrington (2011) also provides a useful description of a typical performance management system process present within organisations; according to Torrington there are four cyclical stages:

1. Definition of business role
   - Job Description
   - Objectives of the department/group
2. Planning Performance
   - Individual objectives
   - Development plans
3. Developing and Monitoring
   - Ongoing support
   - Ongoing review
4. Assessment and Rewards
   - Annual assessment
   - Link to pay
However, Torrington’s process model doesn’t take into account the review of the actual performance management system as a whole, looking into how it could be improved. This should be an integral part of the performance management process because only 14% of large organisations are actually happy with their performance management system, and alarmingly, only 3% of large organisations making radical changes to their performance management system (Rock, 2013).

Therefore, taking this on board for the purpose of this research project, Deming’s (2014) PDSA (Plan, Do, Study, Act) cycle will be applied and developed to formulate a new model for a performance management process system. Blakinger (2006) has applied Deming’s PDSA cycle to the development of a performance management culture in his own context but for the purpose of this report this cycle will be applied directly to the performance management process. Figure 1 depicts a new model for a performance management process system, adopting Deming’s PDSA cycle.

![Figure 1: Conceptual model of Performance Management Process](image)

**Research Methodology**

This section outlines the research methodology adopted to achieve the aim and objectives of this research, covering the following topics:

1. Research Philosophy, including methodological choice
2. Research Design
   a. Population and sampling
   b. Data collection method
   c. Data analysis
3. Research limitations
4. Ethical considerations

**Research Philosophy**

Saunders et al (2012) state that the term ‘research philosophy’ correlates to “the development of knowledge and the nature of that knowledge”. A research philosophy is concerned with the nature of science (Burrell and Morgan, 1979). The nature of science relates to the ontology, epistemology and methodology of research. The two former terms, ontology and epistemology influence the way in which the research methodology is formulated.

Ontology is concerned with the ideas that a researcher has about the existence of and relationship between people, society and the world in general (Eriksson, 2007). Holden (2004) states that the ontology of research is simply the nature of reality. Within ontology, there are two primary positions; objectivism and subjectivism. Objectivism “represents the position that social entities exist in reality external to and independent of social actors”, conversely, subjectivism “asserts that social phenomena are created from the perceptions and consequent action of social actors” (Saunders et al, 2012).
On the other hand, epistemology is concerned with the analysis of the nature of knowledge, and what we believe to be true (Kincheloe, 2008). There are two main positions in regards to the epistemology of research; positivism and interpretivism. Positivism “is an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond” (Bryman and Bell, 2007). On the other hand, interpretivism “respects the differences between people and the objects of natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action” (Bryman and Bell, 2007). Fundamentally, positivism deals with explaining human behaviour, whereas interpretivism places an emphasis on understanding it (Graham and Thomas, 2008).

For the purpose of this research project, a questionnaire was developed, with the quantitative, objectivist ontological position and the epistemological positivist approach adopted in order to effectively achieve the research aim and objectives, with the interpretivist approach deemed unsuitable. Even though this research project was dealing with subjective views (perceptions) on performance management, a positivist approach was adopted for two main reasons, and with the following statement in mind: Objectivism does not reject the notion of subjectivity: we can study peoples’ subjective views (their value, attitudes and beliefs) but we must do so objectively (Bunge, 1993).

Firstly, even though perceptions are subjective, this research project aimed to measure the occurrence or frequency of opinions on performance management, objectively, reducing experiences and opinions to numbers in order to establish the objective reality of perceptions on performance management. For example, identifying the number/frequency of employees who either strongly agree, or agree with the view that their performance management system is fair. In this regard, a closed answer questionnaire was deemed an appropriate tool for data collection. Therefore, the objective reality on perceptions of performance management fairness, would be, for example, that 70% of employees either strongly agree, or agree with the view that their performance management system is fair.

Secondly, due to the fact that employee’s and manager’s perceptions were viewed objectively, a large amount of data was required, especially if the results were to be generalised to the whole UK retail market, which accounts for 10% of the UK workforce (Gov, 2014). Pellissier (2008) states how a positivist, quantitative approach is most suitable when large numbers of data need to be gathered. Adopting an interpretivist approach in this case would have resulted in a nominal view of performance management being established within retail.

**Research Design**

The research design aims to provide a structure for the research which includes; sampling, data collection, data analysis, and data presentation (Bajpai, 2011). Nandagopal et al (2009) states that an effective research design will save time and money and will result in the creation of reliable information. Quantitative data was therefore gathered through a questionnaire.

This research project contained a very large population. Therefore, a sample was drawn upon; to be truly representative this sample should contain the same relevant characteristics of the population (Pellissier, 2008).

Furthermore, this research involved descriptive research which consequently led onto an explanatory study of the research. Saunders et al (2012) defines this mixture of descriptive research and explanatory study as ‘descripto-explanatory’.

**Population and Sampling**

Sampling means that conclusions can be drawn about a large population based on a selected sample of that population (Neelankavil, 2008). Sampling is needed because sometimes it is impractical, uneconomical and even impossible to gather research from the whole population in question (Gupta, 2004). The research question aimed to look into the perceptions and effectiveness of performance management within the UK retail industry as a whole. Therefore, the population was the UK retail industry, this population was far too large to gather research from all units, and consequently sampling was needed. In order to gather the right amount of data to achieve the research objectives previously mentioned, snowball sampling was utilised. Bryman (2011) defines
snowball sampling as ‘the researcher makes initial contact with a small group of people who are relevant to the research topic and then uses these to establish contact with others’.

Using the available contacts at various retail head offices and stores, for which the questionnaire was initially sent out to within the industry, these contacts then (as agreed to) passed on the questionnaire to their colleagues. However, the problem with this method sampling was that the type of employees, amount of employees and opinion of employees who answered the questionnaire was initially unknown. Connaway (2010) highlights this characteristic of snowball sampling as its main drawback, it reduces the ability of the research to be generalisable and representational of the population.

Data Collection Method
Please refer to Appendix A for a list of the questions presented within the questionnaire. The nature of this research project required a large number of data units to be gathered in order to measure the frequency of opinions on performance management and reduce opinions to numbers. Therefore, an online questionnaire was developed and distributed that used closed, investigative questions which sought closed responses from participants in order to develop data that was analysed and presented in graphical form. Qualtrics software was utilised as the platform to create the questionnaire and gather the data from.

Questionnaire design will effect response rates, reliability and validity (Saunders et al, 2012c). Brace (2013) identified problematic cause and effect relationships in questionnaire design. Question ambiguity causes respondents to misunderstand questions, long questionnaires lead to participant boredom, and by the researcher assuming the participant has as much knowledge as he/she does results in confusion, and finally, double-barrelled questions result in inaccurate answers. Therefore, in order to make sure that these problems are not experienced the questionnaire design involved three key preliminary characteristics.

Firstly, the questionnaire was pilot tested. Gideon (2012) points out the importance of pilot testing as it enables you to detect any typos, grammar errors, question order issues and any unnecessary repetitiveness. Additionally, Fink (2003) states that pilot testing enables you to test the timing of the survey, whether the questions are understandable and if any additional questions are needed.

Secondly, if a questionnaire is to be successful, it needs a logical structure, which ensures that there is a flow from question to question and from topic to topic (Curwin & Slater, 1985). In order to ensure that this questionnaire logically flowed, filter questions were present in order to guide participants into the questions that will be relevant to them. For example a YES/NO filter to: ‘does your company currently have a performance management (appraisal) system which is used to give you feedback on your performance?’ This means that respondents didn’t have to answer questions that they did not understand or that are not relevant to them, avoiding some of the problems Brace (2013) identified earlier.

Finally, explaining the purpose of a questionnaire will also be crucial in ensuring maximum response rates. Parasuraman (2006) states that a covering letter can affect the response rate to questionnaires and that a good covering letter should identify what the study is about to the participants and highlight the importance of partaking. Taking on board Parasuraman’s points a covering letter was present, along with an introduction and closing thank you to participants.

Data Analysis
It is firstly important to point out how Likert scales were used as the main method of gaining opinion based variables, with the variable continuum of strongly agree to strongly disagree. Likert scales produce ordinal data; data which can be ranked (Curwin and Slater, 2007). Additionally, drill down analysis was utilised for data reasoning, drill down data analysis can be defined as “the examination of data in greater detail, especially, in reporting, to interactively select some item from a summary and display the data that contributed to that item, broken down by some extra parameter” (Modern Language Association, 2015).
As previously mentioned, this research involved quantitative data analysis, with evidence expressed in terms of numbers in order to summarise the data and make inferences about the population, based on the sample data. For the purpose of this research project a three step process for data analysis was adopted in order to effectively summarise the data and make inferences.

1. Graphically display the shape of the data
2. Summarise the measures of location
3. Summarise the measures of spread

Graphically displaying the shape of the data

In order to summarise and display the data gathered from the questionnaire effectively, bar charts were used as the main method for displaying the shape of the data for the profile of respondents and the characteristics of the performance management system currently used within their organisation. For the data surrounding perceptions, tables were used to present the shape of the data, the measures of location and measures of spread.

Summarising the measures of location

The second stage in summarising the data gathered is to identify the measures of location. Curwin and Slater (2007) state that there are three widely used measures of location; the mean, the median and the mode. Buglear (2007) points to how all of these measures should be calculated in order to gain an accurate picture of the averages present. However, for the purpose of this research the mean was not calculated due to the fact that this research predominantly involved ordinal data. When gathering opinion based data, the opinion variables within the Likert scales will be coded as: (1) Strongly Agree, (2) Agree, (3) Neither Agree nor Disagree, (4) Disagree and (5) Strongly Disagree. Therefore, if the mean were to be 2.4 then the measure of location cannot be effectively interpreted; meaning only the mode and median were be calculated.

Summarising the measures of spread

The final stage in summarising the data gathered is to identify the measures of spread. Hinton (2014) states that, like measures of location, there are three pre-dominant measures of spread; the range, the inter-quartile range and the standard deviation of a data set. For the purpose of this research the standard deviation was not established because it is derived from the mean calculation; therefore, the range and inter-quartile range were established to measure the data spread. A small inter-quartile range will signify a consensus between respondents, whereas a large inter-quartile range will signify a polarisation between respondents (Kostoulas, 2013). An inter-quartile range of 1 or below, on a 5 point Likert-scale indicates a strong consensus, an inter-quartile range of 2 indicates a moderate consensus and an inter-quartile range of anything above 2 indicates a weak consensus (Kuusk et al, 2013).

Research Limitations

Most, if not all research projects have limitations. The main methodological and researcher limitations are now be highlighted.

Methodological Limitations:
- Snowball sampling poses a methodological limitation in that response rates and respondents will be unknown, meaning there is a chance of the sample not being fully representative to the population.
- Questionnaire design: Because each respondent will be working at a different company, with different opinions, one person may deem something as effective that another deems ineffective.
- Bertram (2007) points out how Likert-scales are susceptible to both central tendency bias (respondents may avoid extreme response categories such as strongly agree or strongly disagree) and social desirability bias (respondents displaying themselves in a socially favourable light rather than being honest). However, the latter limitation (social desirability bias) was mitigated by offering anonymity.

Researcher Limitation:
• Research access: Gathering research on manager’s perceptions depends on contacts at various retail head offices; access to other managers within these businesses may however be either denied or limited.

**Ethical Considerations**

Taking into account the ethicality of research methodology is highly important in ensuring that participants don’t feel that they have been mistreated. Due to the nature of a questionnaire, which involves requesting information from people about themselves that is not readily available, ethical consideration is paramount (Babbie, 2009). Additionally, the PBS has a code of ethical principles when involving human participants (UOP Research Policy Committee, 1995a), the elements of this code will be outlined below to demonstrate how research ethics were present when undertaking research (UOP Research Policy Committee, 1995b):

• Informed consent: participants of the questionnaire were explained the exact nature of the study and any reasons why they might not want to take part.
• Openness and honesty: participants were informed about the research, its purpose and application.
• Right to withdraw: participants were informed that they have the right to withdraw from the study at any point.
• Confidentiality: participants were ensured confidentiality through anonymity.
• Protection from harm: the above point of confidentiality through anonymity ensured that participants are protected from harm.

**Research Findings, Analysis & Discussion**

This section presents the research findings, analysis and discussion derived from the data collected through the questionnaire. The research objectives were the main driver for analysing and discussing the research findings. Firstly, within the questionnaire, the general profile of the respondents were established, secondly the characteristics of the performance management system used within their respective organisation were established, and finally, followed by opinion based questions around the associated system, perceptions were established.

100 responses were received from the questionnaire; the graphs presented (Figures 2 and 3) below highlight the profile information of the 100 questionnaire respondents. 51% of respondents were classed as managers with 49% of respondents classed as employees.

**Figure 2: Gender and Age Profiles**
Performance Management Systems currently used in the retail sector & their key attributes

Data gathered from the questionnaire shows that 69% of retail businesses currently have a formal performance management system. However, Armstrong (2014) states that performance management systems are more common within large organisations. Within this study 52% of respondents are working within a business that employs over one thousand individuals (Figure 3), and within that 52%, 82% stated that the business they work for has a performance management system. When comparing this proportion with respondents who work within a business that employs less than one thousand individuals, 55% stated that the business they work for has a performance management system. It is therefore clear that the data gathered supports Armstrong’s statement that performance management systems are more common within larger organisations.

Figure 4 highlights the main performance management tools that are being utilised within the retail industry. Appraisal meetings are by far the most popular performance management tools utilised within the retail sector, highlighting their popularity, despite extensive criticism (Pregitzer & Roberts, 2007), as outlined within the literature review.
Figure 5 below depicts how the findings of this research indicates that retail sector performance management tools used are relatively consistent in comparison to other industries.

![Performance Management Tools Comparison](image)

**Figure 5: Performance Management Tools Comparison**

As previously outlined in the literature review, Torrington (2011) states that performance management should be line driven, i.e. it should be completed by employees’ line managers. It is evident from the results presented within Figure 6 that line managers are the predominant providers of an employee’s performance management within the retail industry, but this figure is not as high as expected (61%) with HR professionals, senior managers and team/departmental managers all commonly being used as performance management providers as well. However, this can be explained by the fact that 81% of respondents who answered senior managers, were managers themselves, and 70% of respondents who answered HR professionals were also managers. Calvert (2004) and Marr (2012) highlight that if performance management is in the wrong hands it can easily become a ‘command and control’ system, which can produce negative results.

![Performance Management Providers](image)

**Figure 6: Performance Management Providers**

Figure 7 represents the key attributes of performance management within the UK retail industry; training and development, promotion, career management and development, and pay reward are the most common attributes of performance management systems within the retail industry.

It is clear from the findings presented in figure 7 that performance management is being used as a tool to indicate when an employee, or set of employees need certain training. This also implies that performance management is being used as a development tool. This points to the fact that retail management perceive performance management to be an important aspect of an employee’s individual development within an
organisation, further highlighting how retail organisations are appreciating the value of performance management in developing their employees, which, as outlined in the literature review, is the main purpose of performance management, to develop individuals. Contrary to the findings of this research, CIPD (2014) found that most performance management systems are reward driven (as outlined in the literature review), however, performance management within the retail industry is clearly more development driven than reward driven. However, if this is the case you would assume that succession planning would also be a more dominant attribute of performance management systems in the retail industry. This can be attributed to the fact that 90% of respondents who stated that succession planning was part of their performance management system were in fact managers or directors themselves. This result highlights how managers and higher respective seniors are the only individuals who undertake and acknowledge succession planning within performance management, implying that subordinates would only know that succession planning is part of performance management if they were the guaranteed recipients of succession planning themselves.

![Figure 7: Performance Management Attributes](image)

It is also evident from the findings that figure 7 presents, that performance management within the retail industry is also being used as a tool for initiating redundancy (12%) as well as discipline and grievances (25%), albeit less commonly. This implies that performance management is also being used as an attempt to correct poor performance, as consistent with Lee’s (2005) earlier definition of performance management highlighted within the literature review.

**Perceptions of Performance Management within the UK retail industry**

- Figure 8 outlines each opinion based question.
- Figure 9 outlines the percentage values of opinions from Strongly Agree to Strongly Disagree, accompanied by the mode, median and inter-quartile range of the data.
  - A small inter-quartile range will signify a consensus between respondents, whereas a large inter-quartile range will signify a polarisation between respondents.
- Figure 10 is a supplement to Figure 9 and outlines the percentage ranges used to accurately calculate the median due to the fact that the data was grouped.
- An in-depth discussion surrounding performance management perceptions will follow the below figures.

From the data gathered and presented in question one within figure 9 it is evident that there is a strong consensus that performance management is viewed as being fair within the UK retail industry, 78% of respondents either answered strongly agree or agree, and an IQR of 0 highlights the strong consensus with this view that performance management is fair. The findings of the CIPD’s 2014 Employee Outlook survey (outlined in the literature review) presents different results; 39% of their respondents either strongly agreed or
agreed with the statement that performance management is fair, with 24% taking a neutral stance and 30% either disagreeing or strongly disagreeing. However, it is questionable as to how much value this questions adds because it is difficult to quantify fairness from one person to another due to individual perceptions (Nou, 2013).

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Performance management is fair</td>
</tr>
<tr>
<td>2</td>
<td>Hard work is recognised in performance management</td>
</tr>
<tr>
<td>3</td>
<td>Performance management has a positive impact on individual performance</td>
</tr>
<tr>
<td>4</td>
<td>Performance management has a positive impact on organisational performance</td>
</tr>
<tr>
<td>5</td>
<td>Performance management links individual objectives with organisational objectives</td>
</tr>
<tr>
<td>6</td>
<td>Performance management is a continuous process</td>
</tr>
<tr>
<td>7</td>
<td>Performance management is stressful</td>
</tr>
<tr>
<td>8</td>
<td>Performance management motivates in the workplace</td>
</tr>
<tr>
<td>9</td>
<td>Information received in performance management is of value</td>
</tr>
<tr>
<td>10</td>
<td>Performance management is worthwhile</td>
</tr>
</tbody>
</table>

Figure 8: Questions

A perception of fairness is likely to be dependent on past experiences of performance management systems and whether it has had positive impact on the individual, as previously outlined in the perception theory section of the literature review. Therefore, the results from questions three, four and eight can be used to validate and justify the findings of question one, that performance management is fair within the retail industry. The findings from questions three, four and eight highlight how there is a clear view that performance management has both a positive impact on individual and organisational performance, whilst also motivating in the workplace.

<table>
<thead>
<tr>
<th>#</th>
<th>SA (1)</th>
<th>A (2)</th>
<th>N (3)</th>
<th>D (4)</th>
<th>SD (5)</th>
<th>Mode</th>
<th>Median</th>
<th>IQR</th>
</tr>
</thead>
<tbody>
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<td>1</td>
<td>21%</td>
<td>57%</td>
<td>6%</td>
<td>13%</td>
<td>3%</td>
<td>Agree</td>
<td>65.82</td>
<td>0</td>
</tr>
<tr>
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<td>30%</td>
<td>40%</td>
<td>6%</td>
<td>21%</td>
<td>3%</td>
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<td>2</td>
</tr>
<tr>
<td>3</td>
<td>26%</td>
<td>46%</td>
<td>8%</td>
<td>14%</td>
<td>6%</td>
<td>Agree</td>
<td>64.46</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>33%</td>
<td>40%</td>
<td>7%</td>
<td>16%</td>
<td>3%</td>
<td>Agree</td>
<td>66.71</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>27%</td>
<td>52%</td>
<td>6%</td>
<td>12%</td>
<td>3%</td>
<td>Agree</td>
<td>67.61</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>37%</td>
<td>45%</td>
<td>10%</td>
<td>6%</td>
<td>1%</td>
<td>Agree</td>
<td>72.09</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>14%</td>
<td>36%</td>
<td>9%</td>
<td>33%</td>
<td>8%</td>
<td>Agree</td>
<td>53.13</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>21%</td>
<td>45%</td>
<td>12%</td>
<td>18%</td>
<td>4%</td>
<td>Agree</td>
<td>61.94</td>
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<tr>
<td>9</td>
<td>28%</td>
<td>48%</td>
<td>4%</td>
<td>15%</td>
<td>4%</td>
<td>Agree</td>
<td>66.12</td>
<td>1</td>
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<tr>
<td>10</td>
<td>31%</td>
<td>45%</td>
<td>3%</td>
<td>13%</td>
<td>7%</td>
<td>Agree</td>
<td>65.82</td>
<td>1</td>
</tr>
</tbody>
</table>

Figure 9: Percentage Values, Mode, Median and IQR

<table>
<thead>
<tr>
<th>Median Key:</th>
<th>%</th>
<th>Mid Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>80-100%</td>
<td>90%</td>
</tr>
<tr>
<td>Agree</td>
<td>60-80%</td>
<td>70%</td>
</tr>
<tr>
<td>Neutral</td>
<td>40-60%</td>
<td>50%</td>
</tr>
<tr>
<td>Disagree</td>
<td>20-40%</td>
<td>30%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0-20%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Figure 10: Median Key, Supplement to Figure 9

Therefore, question one can be validated because it is clear from drill down analysis that 100% of respondents who answered strongly agree or agree to questions three, four and eight also answered strongly agree or agree to...
the statement that performance management is fair. These results explicitly highlight how perceptions of fairness is dependent on past experiences of performance management systems and whether individuals experienced a positive impact.

From observing the results from question two it is apparent that hard work is being recognised within performance management in the UK retail industry, with 70% of respondents either answering strongly agree or agree. This highlights how employees are getting recognition for their hard work, suggesting how performance is both being successfully recorded and is taken on board with a positive, developmental approach. Drill down analysis of this question highlights that 100% of respondents who answered either strongly agree or agree to this question (question two) also answered strongly agree or agree to question three (performance management has a positive impact on individual performance) and question eight (performance management motivates in the workplace). This correlation somewhat suggests that hard work recognition within performance management is having a positive impact on employees’ productivity in the workplace. However, future qualitative research and extensive correlation analysis will lead to a more conclusive conclusion as to whether hard work recognition has a positive impact on productivity.

Questions three and four investigated perceptions on whether performance management has a positive impact on individual performance, and organisational performance respectively. 72% of respondents either answered strongly agree or agree with the statement that performance management has a positive impact on individual performance, compared to 20% who either disagreed or strongly disagreed. Similarly, 73% of respondents either answered strongly agree or agree with the statement that performance management has a positive impact on organisational performance, compared to 19% who either disagreed or strongly disagreed. In comparison, when referring back to the literature review, CIPD’s 2009 performance management survey found that there was a high level of disagreement as to whether performance management has a positive impact on individual and organisational performance. 59% of respondents to CIPD’s 2009 survey took a neutral stance with the statement that performance management has a positive impact on individual performance, with 20% either strongly agreeing or agreeing and 21% either strongly agreeing or strongly disagreeing. Similarly, 56% of respondents to CIPD’s 2009 survey took a neutral stance with the statement that performance management has a positive impact on organisational performance, with 21% either strongly agreeing or agreeing and 23% either strongly disagreeing or agreeing. However, what can be derived from both of these survey results is that if performance management is having a positive impact on individual performance then it will also be having a positive impact on organisational performance, highlighting an inter-dependent relationship between the two.

The findings from both question five and question six highlight how there is both a strong consensus that performance management links individual and organisational objectives (79% of respondents either strongly agreed or agreed) and that it is a continuous process (82% of respondents either strongly agreed or agreed). These two findings emphasise how performance management within the UK retail industry is consistent with the working definition presented earlier in the literature review, which highlighted how performance management, by definition, should be a continuous process that harmonises individual and organisational objectives. The findings of question five were consistent with that of the findings CIPD presented in their 2005 performance management survey which indicated that 84% of respondents either strongly agreed or agreed within the statement that performance management links individual and organisational objectives.

Unfortunately, the extent to which performance management is perceived as being stressful (question seven) could not be established or concluded due to the fact that there was a high level of disagreement, with a median of 53.13% (please refer to figure 10, the median key). Either way, this question fails to add value to the overall argument from a quantitative approach; further research adopting a qualitative approach with in depth interviews would be able to concretely establish and understand the stresses of performance management. Question eight, which investigated perceptions as to whether performance management motivates in the workplace found that 66% of respondents either answered strongly agree or agree, additionally, an IQR of 1 highlights how there is a strong consensus with this view. These findings are relatively consistent with the CIPD’s 2005 survey which found that 75% of respondents either strongly agreed or agreed with the statement.
that performance management motivates within the workplace. This illustrates how performance management in the retail sector, and overall, is achieving its main purpose, to motivate individuals at work so that it has a positive impact on individual and organisational performance. To emphasise this point, 100% of respondents who answered strongly agree or agree to question eight also answered strongly agree to both question three and four.

The final two questions establish perceptions on whether information received in performance management is of value (question nine), and whether performance management is worthwhile (question ten). With 76% of respondents either answering strongly agree or agree to both questions, and both questions resulting in an IQR of 1, there is clearly a strong consensus with this view. The findings that these two questions presents clearly shows how performance management is perceived as being effective within the retail industry, due to the fact that it is perceived as being worthwhile and that the information received is of value.

Referring back to figure 1 within the literature review, the adaption of Deming’s PDSA cycle to develop a new model of performance management processes, it is clear that alterations need to made to this model so that it is more applicable to performance management processes within the UK retail industry, based on the findings of this research. Figure 11 below highlights the new altered model.

All of the above findings (Figures 8-11) and discussions represent opinions of respondents who stated that the company they work for does have a formal performance management system. For those respondents who stated that the company they work for does not have a formal performance management system, other questions were asked to establish their perceptions on whether they would like a performance management system. 81% of respondents within this category expressed the opinion that despite not having a performance management system within their company, that they do informally receive/give feedback on performance. Miller (2014) highlights that informal feedback can be highly valuable in helping employees succeed. Additionally, London (2014) suggests that informal feedback is a key component of an effective performance management system. However Schuler (et al, 1993) argues that informal feedback that is not frequently accompanied by formal feedback is highly susceptible to managers’ memory-based judgements. For example, if a manager has recently given negative feedback, the manager’s recall of performance will be negatively biased, with previous positive performance ignored, which can lead to poor judgement and decreased employee motivation (Schuler et al, 1993).

- Figure 12 outlines each opinion based question.
- Figure 13 outlines the percentage values of opinions from Strongly Agree to Strongly Disagree, accompanied by the mode, median and inter-quartile range of the data.
  - A small inter-quartile range will signify a consensus between respondents, whereas a large inter-quartile range will signify a polarisation between respondents.
Figure 14 is a supplement to Figure 13 and outlines the percentage ranges used to accurately calculate the median due to the fact that the data was grouped.

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you believe that you would be more motivated at work if you were formally updated and measured on your performance (or if you are a manager, would your employees be more motivated) with objective measures being set?</td>
</tr>
<tr>
<td>2</td>
<td>Do you believe that your performance at work would improve if you were formally updated and measured on your performance (or if you are a manager, would your employees work improve) with objective measures being set?</td>
</tr>
</tbody>
</table>

### Figure 12: Questions

<table>
<thead>
<tr>
<th>#</th>
<th>SA (1)</th>
<th>A (2)</th>
<th>N (3)</th>
<th>D (4)</th>
<th>SD (5)</th>
<th>Mode</th>
<th>Median</th>
<th>IQR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>34%</td>
<td>47%</td>
<td>6%</td>
<td>13%</td>
<td>0%</td>
<td>Agree</td>
<td>70.40</td>
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</tr>
<tr>
<td>2</td>
<td>35%</td>
<td>42%</td>
<td>10%</td>
<td>13%</td>
<td>0%</td>
<td>Agree</td>
<td>69.80</td>
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</tbody>
</table>

### Figure 13: Percentage Values, Mode, Median and IQR

<table>
<thead>
<tr>
<th>Median Key:</th>
<th>% Mid Point</th>
</tr>
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<tbody>
<tr>
<td>Strongly Agree</td>
<td>80-100%</td>
</tr>
<tr>
<td>Agree</td>
<td>60-80%</td>
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<tr>
<td>Neutral</td>
<td>40-60%</td>
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<tr>
<td>Disagree</td>
<td>20-40%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0-20%</td>
</tr>
</tbody>
</table>

From the data gathered and presented in question one of figure 13 it is evident that employees perceive that they would be more motivated at work if they were formally updated and measured on their performance, with objective measures being set; 81% of respondents either answered strongly agree or agree, and an IQR of 1 highlights how there is a strong consensus with this view. Additionally, it is clear from the results of question two of figure 13 that employees perceive that their performance at work would improve if they were formally updated and measured on their performance, with objective measures being set; 77% of respondents either answered strongly agree or agree, and an IQR of 1 highlights how there is also a strong consensus with this view. However, this is not to say that if these employees were to be the recipients of a formal performance management system that they would be more motivated at work, and that their performance would improve.

**Summary of Findings**

This section has illustrated the general profile of respondents, the attributes of the performance management systems currently employed within their respective organisation, their perceptions on these systems, and finally the views of respondents who work within an organisation that doesn’t currently have a performance management system.

69% of UK retail businesses have a performance management system present within their organisation. However, this figure is attributed to the high number of respondents working within a company that employs over one thousand employees; this indicates how performance management systems are more common within larger organisations.

In regards to the attributes of performance management systems within the UK retail industry it is clear that performance appraisal meetings (81%) are the most common performance management tool used, followed by
management by objectives (51%), self-appraisals (42%), team performance evaluation (31%), performance related pay (30%) and 360 degree feedback (22%); these results are relatively consistent with other industries.

It is evident from the results presented in figure 6 that, for employees, line managers are the main providers of the performance management process; and from the results of drill down analysis it is clear that senior managers and HR professionals are the main providers of the performance management process for managers or directors.

From the results presented in figure 7 it is clear that performance management within the retail sector is more development driven than reward driven, contrary to CIPD’s 2014 findings.

In relation to the perceptions on performance management systems currently present within the UK retail industry it is clear that performance management is perceived as being fair. However, this is difficult to quantify due to individual perceptions. Despite this, the results from questions three, four and eight help justify this statement. It has been established that perceptions on performance management fairness are dependent on past experiences and whether performance management has had a positive impact on the individual.

Hard work is clearly being perceived as being recognised within performance management in the UK retail industry, and that this is having a positive impact on productivity. However, further qualitative research will be able to solidify this claim. Contrary to CIPD’s 2009 study, performance management in retail is viewed as having a positive impact on individual and organisational performance, also highlighting an inter-dependent relationship between the two.

Based on the findings that questions five and six present it can be concluded that performance management in retail is consistent with the working definition outlined in the literature review. Additionally, results generated from question eight highlights that performance management is motivating in retail, which is consistent with CIPD’s 2005 study. Furthermore, the performance management process (figure 1) incorporating Deming’s PDSA cycle needed adapting for relevance to the retail sector. Please refer to Figure 11 for this adaption.

Finally, it is evident that those respondents who work within a company that doesn’t have a performance management system perceive that if they did, it would help them improve their performance at work, and also motivate them to higher levels. However, this is not to say that it actually would.

Based on the summary of findings above it can be concluded that performance management within the UK retail industry is currently in a healthy state; performance management is motivating the workforce, is linking individual and organisational objectives, is a continuous process, and ultimately, is having a positive impact on individual and organisational performance. Those organisations who do not currently employ a performance management system, should.

**Conclusion**

This final section will firstly revisit the research objectives to see if they were achieved. Secondly, recommendations for both organisations and further research will be present.

**Revisiting the Research Objectives**

The aim of this research was to investigate perceptions of employee performance management systems within the UK retail industry.

The objectives, there to help achieve the over-riding research aim were as follows:

1. To evaluate performance management systems currently being used in the retail sector;
2. To identify key attributes of the current systems in use by retail sector organisations;
3. To examine both managerial and employee perceptions of performance management within their respective organisations.
In regards to the first research objective, performance management systems were firstly evaluated within the literature review with sections 2.6, 2.7, 2.8 and 2.9, with a new performance management process model based around Deming’s PSDA cycle being developed for greater applicability to the retail sector. However, this research objective was fully achieved through the data findings, analysis and discussions section of 4.1 where the performance management systems currently present in the retail sector were evaluated. The findings that are relative to this objective found that performance management systems were more common in larger organisations.

The second research objective was to identify the key attributes of the current performance management systems within the retail sector. Within sections 2.8 and 2.9 of the literature review the key attributes of performance management systems were identified, this however lacked applicability to the retail sector. Therefore, this research objective was achieved within the data findings, analysis section of 4.1 where the key attributes of performance management systems (tools, providers and characteristics) within the retail sector were clearly identified, analysed and discussed. The findings relative to this objective found that appraisal meetings, management by objectives and self-appraisals were the most popular tools of performance management, and that performance management within retail was found to be more line driven among lower level subordinates. Finally, it was found that performance management is more developmentally driven than reward driven within the retail sector, with found use that performance management is also being used to correct poor performance.

The third, and final research objective was to examine perceptions of performance management within the retail sector. The literature in the area of perceptions of performance management, specifically in the retail sector was highly limited. Therefore, this research objective was wholly achieved within section 4.2 of the data findings, analysis and discussion section. The findings relative to this objective found that performance management within the retail industry has been motivating employees in a fair manner which is largely dependent on past experiences, with hard work recognised and the value of performance management portrayed positively.

**Recommendations for Organisations**

Through thorough investigation of performance management systems overall and within the retail sector specifically, whilst examining perceptions on these systems, the following recommendations are presented for organisations. Firstly, it is clear that organisations should ensure that they are harmonising individual and organisational objectives, translating these objectives through the performance management process. Additionally, organisations should ensure that they are continuously reviewing the objectives of both individuals and the organisation.

Secondly, organisations adopting a performance management system should make certain that they continuously review an individual employee’s development, ensuring that performance management is a continuous process, with a clear developmental focus. Furthermore, organisations adopting a performance management system should also continuously review the performance management system itself.

Thirdly, retail organisations should look to adopt the PDSA model for performance management process implementation when looking to develop a performance management process (Figure 11). This model incorporates the key elements of a retail performance management system, emphasises continuous development and provides clear guidance for organisations.

Finally, for those organisations who do not currently adopt a performance management system it is clearly evident from the findings of the research that performance management is an effective tool for motivating in the workplace, for improving individual performance and for improving organisational performance. Therefore, it is advisable for retail organisations to adopt a performance management system.
**Recommendations for further research**

This research project followed a quantitative positivist approach, identifying frequencies of opinions to create an objective reality on perceptions of performance management in the UK retail industry. Further research adopting a qualitative approach with in-depth interviews which probes further and deeper investigation into the subject which seeks to establish the how’s and why’s of performance management perceptions would clearly add value, specifically to certain questions such as fairness perceptions. Additionally, a point for further research would be to investigate the challenges that retail organisations face with performance management, whilst also establishing perceptions on these challenges and how they can be overcome.

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