The Special Issue on Cutting Edge Performance Management:
Guest Editor's Introduction

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Almost every organization in the U.S. conducts performance reviews. Performance management practices have evolved and take different forms in different organizations. However, multiple surveys have confirmed that almost no organizations have completely eliminated performance management.

Although performance management is almost universal, it has long been a source of tremendous frustration for executives, managers, and employees. Critics consider the process to be time consuming, unpleasant, unfair, demotivating, and a poor fit for organizational needs. Is there a better way?

Three practices have emerged in recent years that proponents believe represent fundamental change in the way performance reviews are conducted. These cutting edge practices are ongoing feedback, ratingless performance reviews, and crowd-sourced performance feedback.

- Ongoing feedback replaces an annual review process with reviews that are quarterly, monthly, or on another schedule.

- Ratingless reviews eliminate any scoring or labeling of performance; employees receive text-based feedback only.

- Crowd-sourced feedback uses social media so that peers and others can provide freeform feedback anytime, anywhere.

No topic in the entire field of human resources has received more attention in the popular and business press than these new performance management practices. It is not an exaggeration to say that virtually every major business periodical has published at least one article on this topic in the last 18 months. Performance management has not received so much press attention in decades, perhaps ever, in the business press.

This Special Issue of the WorldatWork Journal explores what we know about cutting edge performance management practices. It includes five articles. The first, by Ledford, Benson, and Lawler, reports on a survey study of 244 organizations that are using one or more of the three cutting edge practices. This is the first large-scale study of its kind. It reports many important findings about patterns of practice, who uses these practices and why, the change process for designing and implementing the practices, and the effectiveness of the practices.

The remaining articles in the issue are four detailed case studies of companies that use one or more cutting edge practices. Adobe Systems was the pioneer in the adoption of the new practices, and Donna Morris, CHRO of Adobe tells the intriguing story in her case study. J. Ritchie outlines Microsoft's change from a stacked ranking to a cutting edge system. The case is especially interesting because of the description of how the organizational context demanded the use of new practices. Lisa Marling George and Julie Holbein describe how Cardinal Health used multiple, systematic pilots to understand the effects of different approaches in different units. Finally, Holly Engler and Chris Mason describe Sears Holdings approach, which is important in part because it includes all three cutting edge practices.

A notable characteristic of the cases is that they follow a common outline that makes it possible to compare and contrast the cases. Each case provides information about the organizational context for the change; the history of the changes; details about the changes in performance management in the company; a description of the implementation process; a report on outcomes of the changes; and a projection of the future of performance management in the company.

On a personal note, I am proud to have played a role in bringing the Special Issue together. This volume represents a landmark resource for those who wish to learn more about cutting edge performance management. I consider the case studies to be an especially valuable contribution to the literature. Each is among the strongest case studies ever to appear in the <u>WorldatWork Journal</u>.