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The characteristics of performance management research

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Implications and challenges

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Richard Thorpe

Leeds University Business School, University of Leeds, Leeds, UK, and

Tony Beasley

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Abstract *Seeks to explore the characteristics of organisational performance management with a view to speculating on the way the development of this emerging academic sub-discipline might evolve. Identifies just what the nature of a research contribution to the field of performance management might be by briefly reviewing the nature of management as a discipline and how performance management might be located within this context. Performance management is located within two main dimensions: cognitive, and those relating to social organisation as proposed by Becher and Gibbons et al. The methodology compares the field of performance management with analysis that has already been undertaken in an attempt to analyse management as discipline. Analysis shows that research in the performance management field, unlike other more mainstream management research, is likely to be “hard” and “applied” (on the main cognitive dimensions – Becher) and convergent and urban (on the main dimensions in relation to its social organisation – Gibbons). Conclusions are discussed in detail.*

Introduction

There is now a growing interdisciplinary interest in organisational performance in all its manifestations (Neely and Waggoner, 1998). To date this interest has been sustained by the considerable attention the subject has been given by practitioners but more recently there has been a developing focus on the academic contributions that might be made to the field. The British Academy of Management, through its Performance Management Special Interest Group has, for example, embarked on a comprehensive review of the way performance management is defined and understood within the key disciplines of management. Performance management is being used as an organising rationale for the Open University Business School’s Diploma in Management, and increasingly the notion of performance is being used as an integrating theme on postgraduate programmes to reflect “real world relevance” and as way of integrating and balancing practically useful techniques (as used by managers and consultants), with theoretical constructs. This has moved the focus of study away from simply practice and more towards theory. We see this shift in emphasis as inevitable as academics will need to take a critical stance so that they can better understand and explore the theoretical and empirical bases on which many of the



principles on which notions of performance rest – the ideas themselves, how they arose, how they might be developed and how they might be changed. This paper attempts to locate the study of performance by using the same constructs used by researchers who have been attempting to categorise management. Having set out the results of this exercise we speculate on the ways the study of performance might change as interest increases.

Management research – the double hurdle

Debates about whether management can be called an applied discipline is a long running one. As Bain (Economic and Social Research Council, 1994) pointed out, the idea of a discipline that sets out solely to produce prescriptive outcomes fits uneasily with a research agenda, where curiosity and discovery is important. An even greater concern would be the danger felt that too strong an identification with a focus on “who are the customers of management research” might unintentionally encourage the production of spurious certainty in research (Economic and Social Research Council, 1994, p. 2). However, without some notion of end users, academics may well be tempted to “perform research of marginal importance to management”.

Notwithstanding, few would disagree that there must be close links between theory and practice and a demonstration of the link at some stage in the research process lies at the heart of how management might be thought of as maintaining its relevance. Even so management researchers haven’t always taken the link relationship for granted and the different sub-disciplines that make up management have often placed different emphases in this respect. This paper seeks to examine the evolution of performance management research. We do not claim disciplinary status for those works in this field but suggest it is distinct in that, in contrast to management researchers operating from one of its sub-disciplines, research in the field of performance management is characterised by an applied focus. We have also defined performance management in such a way as to subsume the fields of performance measurement concentrating our focus of analysis on performance management at an organisational level.

The emergence of performance management

The growth in academic interest in performance management has mirrored the development of actual performance management practice. The 2001 Bain & Co. survey of the use of, and satisfaction with, management tools and techniques (Bain & Co., 2001), reports that over 80 per cent of companies make use of Benchmarking, over 50 per cent have some form of “pay for performance”, and over 40 per cent utilize some form of Balanced Scorecard application. Whether the definitions of terms have been applied equally across all the organisations surveyed or not is a questionable issue but perhaps of more interest is the fact that Bain found that senior executive satisfaction and subsequent “defection” rates from using these tools were significantly better than the average across the 25 management tools and techniques Bain & Co. (2001) surveyed. As well as the tremendous growth in the number of organisations practising some form of formal performance management, all of the large consultancy firms have significant performance management “offers” in their portfolios and there is a plethora of commercial performance management software/IT applications available to those who wish to avail themselves of it.

Performance management as an identifiable subject for academic study and research arguably began in the mid-1990s (see, for example, Eccles, 1991; Kaplan and Norton, 1992; European Foundation for Quality Management, 1998). However, the study of the narrower fields of performance improvement, such as industrial engineering, work study and management services have had a much longer tradition (see, for example, Hicks, 1977). Since this time, the academic research in the field has in performance management posted on the Performance Measurement Association's Web site shows that of the 51 articles referenced, 32 were published since 1990 and the rate in growth in articles was exponential (Neely and Waggoner, 1998; Neely, 2000). To support this a review of the key reference works in the 1980s shows that many of the contributions are accounting related. The establishment of the Performance Measurement Association and the British Academy of Managements Performance Management Special Interest Group are new groups that are indicative of the emergence and growth of interest in forming academic networks to focus study around new topics relating to performance whereas the Management Control Association (with a focus on accounting) has been active for many years.

The nature of an academic contribution in performance management

This growth in interest in performance management research, unlike research in other disciplines poses some interesting challenges and as a consequence the perspectives taken need careful analysis. There are perhaps three main issues that make performance management distinctive as a focus for research. These challenges reflect the challenges facing business and management research more generally.

The first is that despite the development of distinct disciplines within management, the practice of management is largely eclectic: managers need to be able to work across technical, cultural and functional boundaries; they need to be able to draw on knowledge developed by other disciplines such as sociology, anthropology, economics, statistics and mathematics and they need to have a view of what their findings mean for practice. Secondly, the issue with regard to a research agenda in performance management then, is whether to examine performance management from the perspective of one discipline, or whether to adopt a cross-disciplinary approach and to what extent can practitioners bring insights to our understanding of this domain. Thirdly, for academics the safest course of action is to seek respectability from academic peers, but to produce findings that are useful the involvement of practising managers is essential. Heron and Reason (2001) suggest that theories of organisation have little relevance to the practical concerns of those actually managing organisations. Other observers believe that the lack of "real world" relevance can be attributed to the emphasis on under-theorised, quantitative approaches to research (Mintzberg, 1976).

Discipline is a concept borrowed from the church and suggests someone who entertains a particular belief or argues for a particular interpretation of the scriptures. In the context of our academic frames of reference a discipline dictates the boundaries of what counts for knowledge – even the research processes that should be adopted. This not only means that the discipline dictates the research networks and the research processes that should be used, but also gives legitimacy to the questions asked and defines the problematics of the day. The practical implications of this, for a field of study such as performance management is that many disciplines stake a legitimate

claim on the subject, and each has a different perspective on not only what counts as useful and valid knowledge but also how that knowledge should be collected interpreted and valued.

A multi-disciplinary perspective might be one solution, but the question then is, which discipline should predominate? Those committed to multi-disciplinary research will need to ask themselves whether such a venture is even practically possible, as one paradigm or perspective or schema will always be in danger of attempting to subsume others as they compete for supremacy. This reality is perhaps born out by the fact that there are very few examples of genuine multi-disciplinary research to be found within the field of management in general and performance management in particular. An alternative approach would be either to pursue a uni-disciplinary research design or to attempt inter-disciplinary research in order to see where the gaps in knowledge and perspectives exist. Inter-disciplinary studies might attempt to examine performance management from different disciplinary perspectives, and observe where they touch, with the purpose of giving insights into situations or phenomena currently unexplained. In 2004 this is one of the agendas of the Performance Management Special Interest Group of BAM.

Methodology adopted

The methodology adopted to locate performance management and to explore the directions it in which might move as a field of study are those employed by researchers in their attempts to conceptualise the nature of management research. The following section offers a mapping of performance management research along the same “cognitive” and “social organisational” dimensions that Tranfield and Starkey (1998) used for their British Academy of Management study into the nature and organisation of management research. Their research followed a debate by a small sub-group of academics who then set out to explore whether they could find a consensus around what should constitute management research and what such a consensus might mean in practice. As a way of mapping the field, they used two conceptual frameworks, Becher’s (1989) conceptual schema for understanding the anthology and social organisation of disciplines and Gibbons *et al.*’s (1994) views on knowledge production systems. Becher’s work on “academic tribes” used concepts from the sociology of knowledge to offer insights into how the characteristics of management might be understood.

In order to analyse the current state and characteristic of management research, Tranfield and Starkey (1998) adopted a framework from the sociology of knowledge, originated by Biglan (1973a, b) and extended by Becher (1989). We adopt that framework here to analyse the current level of development of performance management research and to discuss some possible implications for the evolution of the domain. Biglan identifies two substantive dimensions on which to map academic fields (hard versus soft, and pure versus applied) these Becher suggests reflect the “cognitive dimensions of disciplines”. In addition Becher extends Biglan’s original schema to include the “social organization” dimensions of disciplines, which also includes two substantive dimensions (convergent versus divergent, and urban versus rural). The following discussion attempts to map performance management onto each of these dimensions in order to assess the extent to which the field has been conceptualised and to assess the types of

methods being adopted by researchers in the field and whether or not there is unanimity about the research questions that need to be asked

The “cognitive” dimension of disciplines

Hard versus soft

[...] the degree to which a paradigm exists (Biglan, 1973a, p. 201).

This distinction is closely related to the notion of paradigmatic agreement (Kuhn, 1962). Biglan (1973a, p. 201) argues that the degree to which “a body of theory is subscribed to by all members of the field”, reflects the degree of “hardness” of a discipline. The paradigmatic agreement of much of the natural sciences serves an important coordinating role in that it helps define key research questions; specifies the appropriate epistemological orientations; provides consistent accounts of the field of interest; unites discipline; develops consensus; and defines the disciplinary boundaries. In contrast domains of knowledge without unitary paradigms, such as the humanities, education and the social sciences (including management and business research) are essentially “pre-paradigmatic” in both their content and method. With regard to the location of performance management on this spectrum, we suggest that a relatively “hard” core area of activity can be identified. This core is dominated by a hard systems approach, with systems design being perceived as an essentially technical problem, often incorporating quantitative performance measurement and information technology design solutions.

Pure versus applied

[...] the content of the area with application to practical problems (Biglan, 1973a, p. 202).

In his original analysis Biglan contrasts education, engineering and agriculture from other sciences, humanities and the social sciences by the formers relative focus on largely practical problems. An important aspect of this distinction between pure and applied approaches is the way in which disciplines progress. In more pure areas, progress is often cumulative, with systematic development according to an internal logic of the emerging discipline. In contrast, applied areas are exposed to a wide range of environmental influences, such as changes in users needs and/or government policy. Such a distinction is important because “progress” in the academic sense of an accumulation of knowledge is often more difficult to identify, with such disciplines “often building high level theoretical and conceptual material ‘bottom-up’ from case law” (Tranfield and Starkey, 1998, p. 345).

Perhaps one of the most striking characteristics of the performance management literature is its very applied nature. The large majority of studies involve the application of a particular performance management tool or technique and the case study method is common. The combination of “hard” and “applied” locates performance management in the upper-left quadrant of the Cognitive dimension in Figure 1. But in contrast to this Tranfield and Starkey appear to imply that management research should be located more towards the right hand quadrant again as indicated in Figure 1.

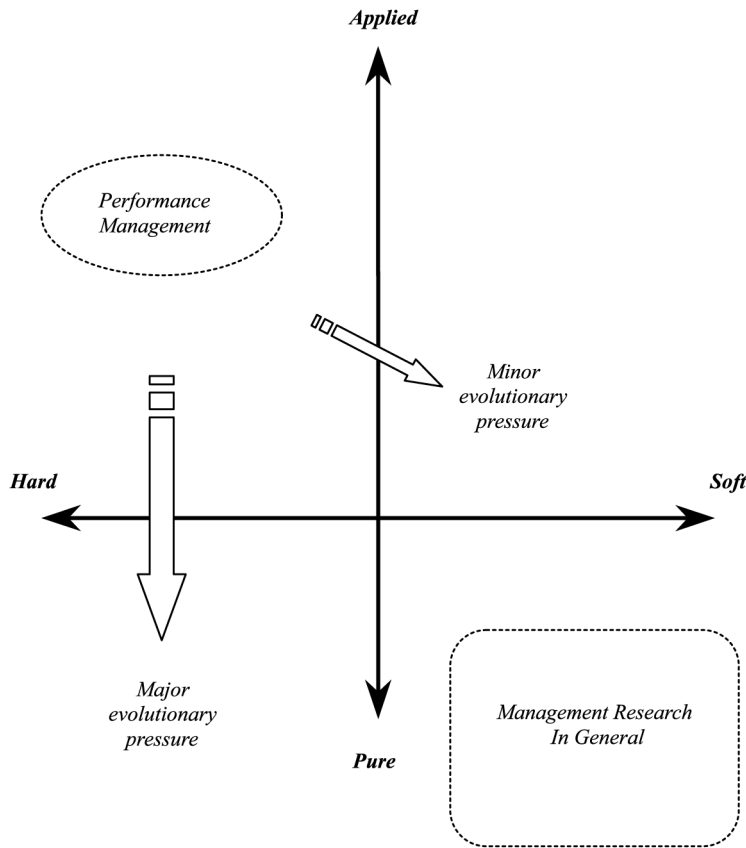


Figure 1.
The cognitive dimensions
of performance
management research

The social organization of disciplines dimension

Convergent versus divergent

[...] convergent ... tightly knit disciplinary configurations ... and those which are divergent and loosely knit (Becher, 1989).

Convergent disciplines share similar ideologies and values, which are often, reflected in commonly expressed views of quality, and a sense of community, with shared purpose. Although such convergence may lead to a low tolerance of deviation, it also serves in the identification of well-defined boundaries that are more easily defended. For divergent disciplines the converse to the above is true, and whilst the fragmented ideologies might lead to a greater tolerance of deviation, it may also lead to diverse quality judgements, a lower level of intellectual debate, and discipline boundaries which are difficult to defend. We suggest that using this framework to locate work in the field of performance management means placing it as relatively convergent. The rapid growth of performance management practice and consultancy provides a

common point of interest, and understanding of the phenomena under investigation. In addition the concern with application provides a common sense of purpose.

Urban versus rural

[...] the people to problem ratio (Becher, 1989).

An “urban” discipline is characterized by a relatively narrow field of study, with a limited number of discrete and separable research problems. The relatively small intellectual space and high people-to-problem ratio lead to intense research environments, with close communication between research groups. In contrast rural disciplines cover a wide, but sparsely populated field of inquiry. The lack of sharp demarcation in disciplinary boundary and low level of communication between research groups means that they are often perceived to be unfashionable, risky and unattractive to funding agencies when compared to urban environments.

Performance management as a specific field is a relatively new area of academic interest, which appears to be expanding quite quickly. Despite this our contention is that it is a relatively “crowded” field of academic endeavour. Its “popularity” and “topicality” means that it is generating a lot of academic interest, and this combined with its hard, applied and convergent characteristics means that it is a relatively “urban” domain. The combination of convergent and urban characteristics of performance management suggest that it occupies a position in the social organization dimension of the upper-left quadrant of Figure 2.

Again, considering the field of study of performance management there is a contrast to the tone of Tranfield and Starkey’s (1998) analysis of the management domain more generally as can be seen in Figure 2. Tranfield and Starkey’s analysis of the position of management research leads them to suggest that a solution is the adoption of a transdisciplinary approach to management research. Whilst for many researchers this suggestion is relatively radical, thinking about the current state of performance management research in this way does make this option appear particularly appropriate.

Future evolutionary pressures for performance management research

From convergent to divergent?

We see an analogy here between the evolution of accounting research through the 1970s and 1980s which saw a shift away from normative thinking and theorising (paramount in the 1970s) towards more empirically based research in order to have more impact on practice (Laughlin, 1995). Much of the current performance management literature (Olve and Wetter, 2000; Eccles, 1991) is implicitly normative (in a prescriptive sense) in may be argued that one of the developing trends might be increased divergence in the research agenda, particularly between the more economics based domains of knowledge which make up the field of inquiry to include stakeholder sensitive approaches and an increasing use of policy evaluation led research.

From applied to pure?

In terms of the major evolutionary pressures on the cognitive dimensions perhaps the greatest pressure on researchers will be a more of a move towards the pure and theoretical ends of the continuum. Academics recognise the value of different kinds of

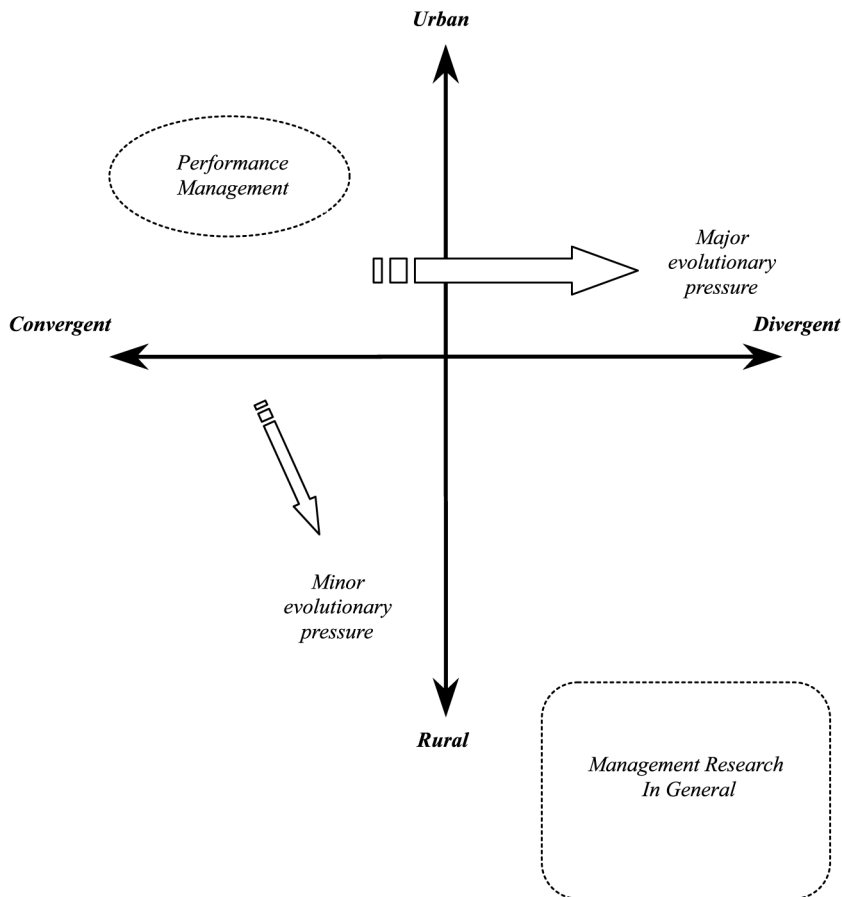


Figure 2.
The social organisation
dimensions of
performance management
research

theories but do not always value the contributions they make in equal measures. Burgoyne (2000), suggests that perhaps a stereotypical view of the value of theory is that practitioners value normative theory over descriptive theory over analytical theory over critical theory. Academics on the other hand, appear to have the opposite priorities with critical theory being the most valued and normative theory being the least valued – except he suggests as material for the critical theorists! This trend unfortunately produces a dynamic that takes the performance management agenda away from one of its greatest strengths i.e. practical usefulness and application.

Given these dilemmas one way forward might be the formal adoption what Tranfield and Starkey (1998) refer to as the adoption of a mode 2 or transdisciplinary approach to the way research is conducted.

Gibbons *et al.* (1994) distinguished between two modes of knowledge production that are characterised in Table I. Mode 1 characterises the “traditional” approach in which knowledge generation occurs within the context of existing institutions and academic disciplines. This approach is driven by academic’s agendas – one that

distinguishes between fundamental and applied knowledge. The dissemination of this knowledge occurs downstream of its production with little concern for its practical relevance. In contrast, mode 2 is characterised as being of a trans-disciplinary nature when (as we have discussed) it is created in a particular context, a context that values those involved in practice. This form combines tacit/practitioner understandings with those of academics. This approach emphasises team-work rather than “heroic individualism” and recognises the transitory nature of knowledge. It creates knowledge that is produced and exploited almost simultaneously. As a consequence, a particular knowledge becomes shared more widely between a variety of stakeholders.

The key aspect of mode 2 knowledge production is that it occurs as a result of the interaction that takes place between theory and practice. This is the antithesis of the more traditional mode 1 form in which theoretical knowledge generally precedes application and where a distance is usually maintained between knowledge production and application as well as between academics and users. It is argued that if this kind of system is to work effectively then there must be a rapid interplay between management theory and practice (Tranfield and Starkey, 1998).

Essentially a mode 2 approach has four characteristics:

- (1) the framework and concepts developed need to emanate from within the context of application;
- (2) knowledge production will be emergent and give rise to new theoretical structures, for example new ways of understanding how knowledge is generated through detailed understanding of the knowledge possessed by key personnel;
- (3) the diffusion of knowledge produced will include those who have participated in the production of this; and
- (4) the process will be dynamic, where the solution to one problem at one particular point in time may well be different only a few days later.

Conclusions

This paper began by arguing that the rapid growth in performance management research has led to a need to evaluate the current theoretical and methodological drivers behind this field of study.

Our analysis began by comparing and contrasting the field of performance management research with management research in general. Its strength we saw as its relatively hard/applied nature, its weakness as the absence of explicit links to underpinning theoretical constructs.

Dimension	Mode 1	Mode 2
Knowledge context	Academic community	Application context
Nature of knowledge	Disciplinary	Trans-disciplinary
Producers	Homogenous	Heterogeneous
Nature of control	Hierarchical and continuing	Heterarchical and transient
Quality control	Peer review	Social, economic, reflexive
Creativity	Individual phenomena	Group phenomenon

Table I.
Overview of mode 1 and mode 2 research

Our conclusions suggest that there are likely to be a number of evolutionary pressures at work within the field of performance management research that will, over time increasingly move its focus away from application and more towards a critical position that embraces an understanding of a range of theoretical underpinnings. In other words, the pressure for academics to publish within their discipline will move them away from the current “convergent” tendencies towards being more divergent in character. Our argument is, that as academics engage in the study of performance from an increasingly broad range of disciplines, they will need to locate the knowledge they gain within the context of their own disciplines and fields of study. In addition, they will need to seek academic credibility for the work they do which will mean far less focus on practice and the perspectives of practitioners (mode 2). In addition they are likely to reject the current implicit normative agenda, finding the current explanations and approaches inappropriate.

Whatever the case we suggest there is a need for the field of performance management to address the growing criticisms which are attached to the current implicit normative research agenda.

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