Performance management processes have become prominent in recent years as means of providing a more integrated and continuous approach to the management of performance than was provided by previous isolated and often inadequate merit rating or performance appraisal schemes. Performance management is based on the principle of management by agreement or contract rather than management by command. It emphasizes development and the initiation of self-managed learning plans as well as the integration of individual and corporate objectives. It can, in fact, play a major role in providing for an integrated and coherent range of human resource management processes which are mutually supportive and contribute as a whole to improving organizational effectiveness.

In this part, Chapter 32 covers the fundamental concepts of performance management. The practice of performance management is described in Chapter 33 and the part is completed in Chapter 34 by a review of the process of 360-degree feedback as a multi-source method of assessing performance.