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**Frontline managers' implementation of the formal and informal performance management systems**

- Purpose
  The implementation of performance management is the responsibility of managers; more importantly, a key part of a frontline manager's role is ensuring that frontline employees are performing by meeting organisational goals. Existing research has shown a lack of focus on the role of frontline managers in the implementation of performance management systems, despite plenty of research on the separate topics of frontline managers and performance management. This article aims to understand how frontline managers connect the intended performance management system, through components and processes developed by the human resources department and higher levels of management, with their employees' performance.
- Design/methodology/approach
  This study used a qualitative method, conducting semi-structured interviews with 57 participants from two Singapore public sector organisations to understand the interaction between the formal and informal performance management systems.
- Findings
  The authors found that frontline managers used the formal and informal performance management systems in the organisation to manage the demands of their role. Notably, the expectations that superiors and subordinates have heavily influences how the frontline managers choose to implement their performance management responsibilities.
- Originality/value
  The article uses systems theory to illustrate and explain the complex and dynamic nature of PM in practice through the FLM's implementation of the formal and informal PM systems. The primary contribution of the study is through demonstrating under what situations do frontline managers use the formal and informal performance systems in a complementary manner within the constraints placed on them.

## INTRODUCTION

Performance management (PM) systems are ubiquitous in modern organisations to ensure that employees are performing to achieve organisational goals but the research evidence points to disappointing outcomes (Goh et al., 2015, Morgan, 2006, Pulakos and O'Leary, 2011). In part, FLMs deviating from the intended PM sub-system results in the actual PM sub-system (both functioning as individual systems)[1] (e.g. Farndale et al., 2011, Purcell and Hutchinson, 2007) help to explain why expected results are not being seen. Many organisations experience deviations from the intended system, leading to situations where ironically, PM is perceived to

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[1] The formal and informal PM systems are sub-systems within the PM system. Likewise, a PM system is a sub-system within a HRM system; a HRM system is a sub-system within an organisation. For the rest of this article, sub-systems are labelled as systems to avoid confusion.

be underperforming and not meeting senior management's expectations as employees are not performing to their potential (Chillakuri, 2018, Goh et al., 2015, Morgan, 2006).

Despite being commonly termed 'PM systems', PM has not been studied using a systems theory lens. Performance management tends to be studied as a process or with a focus on individual components (see for example, Claus and Briscoe, 2009, Brown et al., 2019) with limited consideration of the interacting sub-systems. Schleicher et al. (2018) demonstrate in their review that PM research tends to focus on *either* formal or informal processes, with an increase in research that emphasises the role of informal processes. This article uses formal and informal systems (that combines the formal and informal processes) to better illustrate the implementation of PM and how the interactions between the various systems affect the complexity of the PM system.

There is a gap in our understanding of the interaction between formal and informal PM systems and how frontline managers (FLMs) carry out PM implementation. The definition of FLMs in this study is that of the first level of management to whom frontline employees with no managerial or supervisory responsibility report (Armstrong, 2006; Bos-Nehles, Van Riemsdijk, Kok, & Looise, 2006; Hales, 2005). It is the FLM who holds the responsibility for both individual and team performances of the frontline employees (den Hartog et al., 2004, Pak and Kim, 2016). FLMs face pressure from both ends of the organisational hierarchy (Hales, 2005) affecting their implementation of performance management. However, little is known about the underlying processes that FLMs utilise when connecting organisational policies and the frontline to ensure performance (Dewettinck and Vroonen, 2016), or whether the overarching PM system helps to facilitate the responsibilities of FLMs in the performance of their subordinates.

The main aim of this article is to use systems theory to illustrate and explain the complex and dynamic nature of PM in practice through the FLM's implementation of the formal and informal PM systems. Data collected from two public sector organisations in Singapore demonstrate that FLMs attempt to manage the expectations of both their superiors and their subordinates. Our contributions come in two ways. Our primary theoretical contribution is extending systems theory by demonstrating how informal and formal systems interact in PM; although the FLM's use of the formal and informal systems can seem contradictory and conflicting as they are focused on meeting their operational goals and keeping other

organisational actors satisfied with their performance, their use of the systems are actually complementary allowing for them to balance the responsibilities within their role, ensuring that employees' performances are effectively managed within a large bureaucracy to reach organisational goals. Additionally, we contribute to the line manager literature through illuminating the central role they play in balancing the contradictory and complementary elements. The remainder of this article is structured as follows. Firstly, we discuss systems theory as the theoretical underpinning of the article followed by a review of the relevant FLM and PM literature. We then present our research methods followed by the analysis of the findings. Lastly, we conclude with a discussion of the contribution of our findings to PM literature.

**SYSTEMS THEORY**

Within general systems theory, systems are considered by literature to be made up of complex independent parts that are designed to function together in order to achieve a common goal or purpose (Boulding, 1956, von Bertalanffy, 1950). Organisations are open systems where decision-makers attempt to create order through strategies and processes that are unique to that context (Clegg, 1990). A system has interrelated elements and within open systems, interactions with and feedback from the various elements affect the other elements within the system (Katz and Kahn, 1978). Researchers have explained that the interdependence between an organisation's internal and external environment affects how it operates due to the varying flows of people, resources, and information (Harney and Dundon, 2006, Scott, 1987). The simplicity or complexity of a system is dependent on the number of and the interactions between the elements (Jackson, 2000). Scholars have considered that the organisation and environment have a delicate relationship, and that our understanding of open systems can account for the uncertain and indeterminate relationship (Bedeian, 1990, Thompson and McHugh, 1995). Koehler (1981) explained that organisations are continuously striving to reach a relatively stable equilibrium because the context they operate in influences what their *steady state* is, which contrasts with the assumed definite equilibrium in closed systems. Organisational changes are dependent on the strategies and systems in place that process the environmental changes, consequently incorporating them into the organisation (Levasseur, 2004). However, rather than assuming that organisations only make optimum choices, systems theorists take the perspective that organisations "adapt well enough to *satisfice*" (Simon, 1965).

Despite the limited explicit reference to the concept of systems theory, it has long influenced organisational research, which includes HR research (for exceptions, see Boxall and Macky, 2009, Guest, 1997, Townsend et al., 2013a). Organisations operate under both external and internal constraints, and there are multiple social systems within the organisation's internal environment. Burns and Stalker (1961) segregated these systems into formal and informal systems. They posited that formal systems are stable and based on the codified rules in the organisation with formal rules and procedures; while informal systems are fluid and make up of informal practices and decision-making in the organisation. The polarity of both systems means that management systems operate and teeter between the two (Burns and Stalker, 1961). According to Selznick (1981), having a formal system does not mean that individuals will adhere to it as individual needs may not be aligned with organisational goals. Large organisations can establish informal systems through the institutionalisation of deviations from the formal system (Selznick, 1981). In particular, public sector organisations face a dilemma between balancing short-term and long-term goals (Verbeeten, 2008), which can affect the development of their informal systems as managers attempt to meet their work goals. Game playing has long been a subject of organisational research (see for example, Roy, 1959, Burawoy, 1979) and the interaction between systems is complex and can lead to multiple games being played in an organisation; these organisational games can be public and well-known or subtle and hidden (Palazzoli, 1986).

**PERFORMANCE MANAGEMENT SYSTEMS**

The HR system is a sub-system of the overarching organisational system, which has strong influence on the performance of all employees, depending on how well the organisation implements HRM. Wright and Snell (1991) explained that systems theory is useful for examining the role of HRM in organisations because of the integral role that HR plays as "the carriers of effort and motivation necessary to maintain the social system" and "the social structures of human behaviour are largely responsible for the throughput transformation process" (p. 208). Human resource scholars believe that HR systems rather than individual practices are more appropriate in explaining the contributions to organisational performance and can help organisations gain competitive advantage through the development and maintenance of organisational competencies (Lado and Wilson, 1994, Delaney and Huselid, 1996). Until now, despite not using systems theory, a myriad of HRM research has explored the link between HR systems or specific sub-systems within the HR system and organisational performance (e.g., Boland and Fowler, 2000, Boxall and Macky, 2007, Roh, 2018, Shin and

Konrad, 2014). The individual systems are an important consideration because they can "work together and use system processes to transform organisational inputs into performance outcomes" (Townsend et al., 2013a).

Just as the HR system is a system within the organisation, the HR system is also composed of multiple systems (Severance, 2001) including the PM systems. A systems approach has been seen to be influential in the development of HR functions such as PM (Iwu et al., 2016) (Iwu, Kapondoro, Twum-Darko, & Lose, 2016). Structure provided by systems theory can help in understanding organisations and their PM systems. This study defines performance management systems as the constant and ongoing process and activities within an organisation that aim to help employees maintain and/or improve their performance to reach organisational goals (Dessler, 2005, Ivancevich, 2001).

This article focuses on the intended and actual PM systems within organisations. The intended PM system refers to the PM system designed and developed at the top through policies and practices that are implemented across the organisation (Farndale, Hope-Hailey, & Kelliher, 2011; Khilji & Wang, 2006). Ideally, the intended and actual systems are consistent, otherwise employees will be made aware of incongruences in the implementation process (Piening et al., 2014). However, line managers can adhere to or deviate from the intended system during the implementation process which results in the actual PM system that employees experience (Khilji and Wang, 2006, Farndale et al., 2011). Discretion used by organisational actors in their work will affect the organisation's performance; at the heart of their discretionary behaviour is the perception of HRM policies that will contribute to and influence their corresponding attitudinal outcomes. As such, the actual implementation of HR practices is a key part of this relationship. This is where the FLM enters the equation, playing a vital role in the implementation of HR practices. Even though Purcell and Hutchinson's (2007) people management-performance causal chain examines HR practices and policies in general, it can be further refined to specifically examine PM systems for the study.



*Figure 1.* The performance management system causal chain. Adapted from Purcell and Hutchinson (2007).

Farndale et al.'s (2011) description of the intended, actual, and perceived practices can be applied to the intended, actual, and perceived PM sub-systems (that function as individual systems) within the PM system. The intended PM system refers to the PM system designed and developed at the top and expressed through policies and practices. However, line managers can deviate from the intended system during the implementation process. The implementation process of the intended PM system then leads to the actual PM system, which can be in line with or deviate from the intended PM. The actual PM system that is implemented by line managers leads to the perceived PM system, which refers to the perceptions that individuals on the receiving end of the actual PM system have regarding PM (Farndale et al., 2011). The various sub-systems show that the PM system is complex.

Nadler and Tushman (1980) argued for formal and informal processes existing in an organisation concurrently in the development of their systems theory framework. Schleicher et al. (2018) also drew attention to the increased research attention on the impact of informal processes either beyond or in conjunction with formal processes but the "formal/informal distinction has not always been articulated clearly in the literature" (p. 15), and their review suggested that "the various formal and informal process elements of PM differ in how consistently they affect PM effectiveness" (p. 16). We use systems instead of processes to explain the relationship between the formal and informal systems and the components within them. The systems are more than the individual processes within them – the interaction between the varying formal and informal processes affects the relationship within and between the systems. This article defines the formal PM system as the PM system that has been established and codified by management to be implemented in the organisation and the informal PM system is defined as having developed over time that regulates the workplace even though it has not been formally established by management.

*O*ther non-PM research has also discussed the importance of formal and informal systems in the workplace (e.g., Marchington and Suter, 2013, Townsend et al., 2013b) and this information can be used to understand how the interaction of formal and informal PM systems can affect the effectiveness of PM. Formal and informal systems have been shown to either complement or compete with each other. Formal and informal systems can complement each other, working together to support individuals (Marchington & Suter, 2013; Townsend et al., 2013) where organisational actors can approach a workplace issue (e.g., performance feedback)

through a formal and/or informal system. However, formal and informal systems can also compete with each other, working separately in the workplace.

Some studies (e.g., Boxall et al., 2007, Mohr and Zoghi, 2008, Schleicher et al., 2018) have argued for differentiation between formal and informal systems. In particular, the interactions between formal and informal PM systems are important and should not be neglected (Marchington and Suter, 2013). In Ram et al. (2019) study on non-compliant small firms and regulatory change, they posit that organisations do not just operate through formal or informal systems. The "relative indeterminacy of rules" allows organisational adaptability in the implementation process that allows them to cater and adjust for the context or situation (Picciotto, 2002). This article uses the perspective of FLMs to better understand how they utilise the formal and informal PM systems based on their operational constraints.

Systems theory can be used to understand PM systems within the public sector and the role of the FLM because it "potentially provides clarity of process, structure and method which can help to focus perceptions with respect to issues" and it also promotes "understanding with respect to the overall complexity of the organisational situation generally" (Boland and Fowler, 2000). Katz and Kahn (1978) explained equifinality where "the same final state from differing initial conditions and by a variety of paths" (p. 170), and can be reached as "there does not have to be a single method of achieving an objective" (p. 171). Subsequently, different configurations of formal and/or informal PM systems can be taken to reach the organisation's intended PM goal (Schleicher et al., 2018). As such, we might expect to see dual systems enacted more clearly in the public sector context, so this is a useful context to explore the tensions to which FLMs are subject.

**FRONTLINE MANAGERS IN PERFORMANCE MANAGEMENT SYSTEMS**
Lado and Wilson (1994) argue that a successful PM system lies in the hands of all levels of managers. Additionally, Schleicher et al. (2018, p. 17) expand on that argument by suggesting that managers are likely to serve as "a key linking mechanism" between the formal and informal processes in organisations and future PM research can benefit from focusing on the manager. Accordingly, the PM literature also tends to neglect the importance of the individuals at the frontline of implementation – the focus of this research, FLMs. Line managers are the "key protagonists in performance management systems", who may experience clashes between their responsibilities: motivating and developing their subordinates versus judging and

evaluating their subordinates' performance (Taylor, 2013). However, while the PM literature includes discussions about the various actors (e.g., managers, line managers, HR managers) in PM, there tends to be a lack of in-depth analysis focussed on the role of these actors (e.g., Aguinis et al., 2012, DeNisi and Pritchard, 2006, Haines and St-Onge, 2012). Usually there is little more than a customary nod towards their suggested responsibilities and duties; however, further analysis and consideration of possible variation in the delivery of PM is lacking. Van Waeyenberg and Decramer (2018) found that line managers' ability, motivation and opportunities in implementing PM systems affected employees' satisfaction and perception of the strength of the PM system; consistency and clarity are important in determining the strength of the PM system.

Line managers in general are involved in an extensive range of formal and informal PM activities because they are responsible for evaluating performance and providing feedback (Brown and Lim, 2019). Notably, FLMs are a level of line management that are seen as is the critical link between higher levels of management and employees, where higher levels of management are more likely to design rather than implement the systems and processes (Liang et al., 2007, Saville and Higgins, 1994). A FLM's authority originates from his or her position in the workplace (Leonard and Trusty, 2016). As part of their supervisory responsibilities, FLMs are involved in the implementation of HR practices, including PM related responsibilities. The expansion of the roles of FLMs have led to them facing conflicting pressures in their job; while they lack the corresponding authority within the organisation, FLMs need to bridge the gap between the intended and actual PM systems (Child and Partridge, 1982, Hales, 2005, Purcell and Hutchinson, 2007). Audenaert et al. (2019) have shown that consistency within the implementation of the PM systems (which they have coined subpractices) affects how employees use innovation to reach their work goals. FLMs influence the consistency experienced by frontline employees depending on how they choose to implement PM. Being consistent in the implementation of PM is important in demonstrating to employees that it is a continuous process (Aguinis et al., 2012) that clarifies work goals for them, motivating them to display the ideal behaviours to achieve these work goals within their role (DeNisi and Smith, 2014).

Dewettinck and Vroonen (2016) show that FLMs' attitudes to PM influenced the way they enacted it through their discretionary behaviour. Moreover, FLMs feel restricted by the formal monitoring processes, where the perception is that the organisation is interfering with how they

manage their staff (Harris, 2001). As den Hartog et al. (2004), state FLMs "play a crucial mediating role" in implementing PM systems because they influence employee behaviour and performance (p. 562). Motivation levels of FLMs will affect the amount of discretionary effort used to implement PM as part of their work responsibilities (Domínguez-Falcón et al., 2016). The role of FLMs in the PM system stems from their responsibility for both the individual and team performances of their subordinates. Despite plenty of research on FLMs and PM separately, there is a lack of a strong stream of research about the role of FLMs in PM systems. This is surprising as FLMs are responsible for the day-to-day management of frontline employees' performances.

Given the importance of understanding the implementation of PM systems within organisations through the use of formal and informal systems, our main research question is as follows:

***How are the formal and informal PM systems implemented by FLMs?***

This question can be more specifically broken down into two sub-questions:

*How do the formal and informal PM systems contradict each other?*

*How do the formal and informal PM systems complement each other?*

## METHODOLOGY AND THE CASES

This study was based on qualitative data collected from two large public sector organisations, CONS and SVC (both pseudonyms) from different sectors in Singapore. The Singapore Government Directory (Ministry of Communications and Information, 2016) was used to identify ministries, statutory boards, organs of state, and public services before the various gatekeepers were shortlisted and contacted via email to express the researcher's interest in interviewing members of their organisation. Only CONS' gatekeeper responded positively to the access email and access was eventually achieved through multiple emails with various members of the organisation to negotiate access and approval. This was also limited to only one division with a headcount of around 160 staff; employees there either worked in the headquarters of the organisation or on various work sites, allowing for a cross sample of participants. SVC was recruited through the recommendation of the gatekeeper from CONS. Access was negotiated by email with the director, who agreed to be interviewed in addition to those of her staff who were available. Heading two divisions allowed for participants from both, who were selected based on their availability during the data collection period.

CONS was the larger organisation, with a headcount of more than 5,000 employees in the infrastructure and environment sector. Participants were recruited from the construction division, which had four departments led by the director (#1.24). In contrast, SVC had over 500 employees and was in the central administration sector. The participants were from two departments that were also led by the director (#2.29). The two organisations had five departments in total to be sampled, allowing for multiple levels of analyses. The three departments from CONS and two departments from SVC allowed for comparisons of difference, if any, within the individual organisations themselves. This cross-case strategy increased the accuracy and reliability of the research findings by providing multiple lenses that were used to analyse the data (Eisenhardt, 1989).

There were 57 interview participants from both organisations in total (refer to the appendix for detailed information on the participants) – a number at the upper end of the recommendations for qualitative case comparisons provided by Saunders and Townsend (2016). The selection of senior managers, middle managers, FLMs, members of the HR department where possible, and frontline employees allowed for a horizontal and vertical slice of the department's employee representation. Despite the sampled participants being under the same senior management – the directors, different employees were managed by different middle managers or FLMs. This hierarchical sampling frame enabled any similarities or differences, if any, to be demonstrated.

The semi-structured interviews were performed in private meeting rooms to ensure anonymity and confidentiality as most of the participants (except the directors) worked in common working spaces. Most of the interviews lasted for around 45 minutes and were recorded then transcribed verbatim by a professional transcriber (the first ten were transcribed by the research team) and checked by the researchers to ensure accuracy and consistency. NVivo was then used to analyse the data. Themes were generated by first grouping responses from interviews together under the same topic by assigning codes to the relevant interview responses. Meaning from the data was compiled by isolating impactful statements from the interviews and coding them appropriately to be used in the generation of themes. Lastly, inductive thematic analysis was performed through the constant re-reading of the interviews to revise the codes, and by comparing the information against the codes. "Themes emerge from and are grounded in the data" and it was through this that overarching patterns were seen (Lapadat, 2010).

**FINDINGS**

The two cases demonstrate that FLMs had the discretion to use the formal and informal PM systems to allow them to achieve their work goals. According to existing literature (e.g., Lado and Wilson, 1994, Schleicher et al., 2018, Taylor, 2013), FLMs play an important role in PM systems through how they manage formality and informality and their various responsibilities. The findings show that FLMs segregated their operational and people management responsibilities, instead of perceiving their operational and HR responsibilities to be part of their core job responsibility to achieve their work goals:

> … of course it's [work] more of a priority over the performance management… it [PM] comes as a subset to it [work]. The thing is that you set targets and at the end of the day, you can't deviate from them. – FLM (#1.12)

> The main time you have to manage performance is during the year-end appraisal… you do think about it on a day-to-day basis… whether each person has enough on their plate and what are the things that they are doing that can contribute to their appraisal … but it kind of takes a backseat towards the actual work that I am doing. – FLM (#2.13)

As such, FLMs used a (sometimes apparently contradictory) combination of the formal and informal PM systems, focusing on meeting their operational goals and keeping other organisational actors happy with their performance. Both case organisations created the intended PM systems to help facilitate with performance goals and minimise bias and favouritism. However, FLMs had discretion implementing the actual PM systems, allowing them to tailor the formal and informal PM systems to individual frontline employees. Schleicher et al. (2018) explained that FLMs must balance the formal and informal PM systems within their role. We found that FLMs used the informal PM system to deviate from the intended PM system as they believed it helped them better manage their employees to achieve work goals.

The HR department and higher levels of management are responsible for the design of the PM system and tend to leave the implementation of PM to FLMs similar to what was found in research from Liang et al. (2007) and Saville and Higgins (1994). Both cases (CONS and SVC) showed that there were specific guidelines in place that were compulsory and had to be adhered to (e.g., a ranking quota at the end of the year that limited the percentage of top performers in a work group) that were difficult for organisational actors to avoid. Even though the HR

department enforced the formal processes for poor performers to ensure that sufficient opportunity was provided for them to improve and for documentation, this was not necessarily adhered to. A middle manager (#1.26) explained that the relationship an employee had with superiors that determined the impression of performance within the PM system:

> I don't know how my boss evaluates my performance… I feel that my appraisal is based on… how good my relationship with my boss [is].

As such, the FLM had the opportunity and motivation to not document the performance of the employee to protect the working relationship that they had – recording an employee's poor performance allowed senior management to develop the impression that the employee lacked the ability to perform:

> We still need to let them know what are their weaker points… for myself, I will still help them to paint a nice picture for the appraisal, but they themselves also have to improve. – FLM (#1.09)

Additionally, there is the possibility that documenting poor performance through the formal PM system damages the working relationship between the FLM and frontline employee, demotivating the employee to improve their performance. Senior management at each organisation had difficulty evaluating all of the work that was done by individual employees because of the sheer number of frontline employees in their departments. There were goals that had to be met within the departments or work groups, but unless there were significant problems or an individual employee had gotten the attention of higher levels of management, it was difficult for senior management to know how all of their employees were performing:

> It is very important to report to them, because if you just do [something] and nobody knows about it, then nobody will know and it will not go into your appraisal. The reporting process is the key, but I think a lot of people, they just do their own work and if it goes well then everything is fine, but if something goes wrong, then it seems like they are incompetent. Unless we proactively report to the bosses, I don't think there is an avenue for them to know what we have been doing on site, because we are site-based and what they get is just monthly reports of the progress of the project and not how we have solved issues or what kind of difficulties we encountered. – FLM (#1.15)

He has… a hundred over staff under him. He wouldn't exactly know each and everyone, by those that he has a good impression of, probably he would rank them better or higher. – FLM (#1.25)

Should the FLM not make it known that an employee was performing poorly, either informally or through the formal PM system, higher levels of management might not be aware that poor performance was ongoing. It is difficult to accurately identify the performance of all employees within an organisation, but good or poor performers tend to be noticed easily, which explains the apparent contradiction between the formal and informal PM systems.

The CONS' director (#1.24) explained that the most senior manager, the group director, made the final decision on the evaluation of employees' performance, which is more than the actual performance of the year:

So many of them who tend to lean towards that side, because he [referring to the group director] has a greater circle of influence. It's natural, but it's also for the director to say our piece... let's say I have a staff [member] who, during that year, his particular project caused a small flooding [sic]. When you look at it, that flooding was caused by a soccer ball stuck in the drain, it had nothing to do with him. I will fight for that staff [member] even though my boss said "no, drop him in the ranking!" but at the end he's still the boss. I'll fight [for the staff member] but at the end, who calls the shots? This is life…. some of them, even though they are not really solving a problem – I'm not saying that they are poor staff but comparatively they may not be the best of the whole lot – but if the staff [member] and the boss has [sic] a better relationship, the relative ranking is being adjusted, you also can't help it. Unless those beyond my boss see through it. – Director (#.124)

Beyond FLMs' formal authority and role within the intended PM system, knowledge of the importance of ranking helps their use of discretionary behaviour to find a middle ground between higher levels of management and frontline employees. The components of an organisational system are typically intended to fit together for the achievement of goals (Boulding, 1956). Within a work group, it was difficult for senior management to be aware of individual performance unless they worked closely with the frontline on the project. As such, the impression that senior management had about individual employees was important within the PM system because the performance of the frontline employees was evaluated based on

management's perception of them. FLMs have the opportunity to use the formal and informal PM systems in a seemingly contradictory manner in allowing FLMs to ensure that other organisational actors were happy with the way they managed employees' performances.

Within the two case organisations, FLMs were motivated to respect the authority of their superiors (e.g., not going against senior managers' evaluations within the intended system). The high power distance in Singapore organisations based on the Hofstede (1984) cultural dimensions help to explain the acceptance of the superior's authority. Despite the apparent contradictions, the formal and informal PM systems were used by the FLMs in both cases in a complementary manner to satisfy the expectations of their superiors and subordinates to ensure that they could meet their operational goals. Considering the authority of higher levels of management led to FLMs using discretionary behaviour by only completing the compulsory components of the intended PM system through the formal PM system to show their compliance to the system; using the informal PM system, the FLM kept their employees happy through the opportunity to improve their performance without higher levels of management being notified. For example, CONS' FLMs used performance discussions to manage poor performing employees and some FLMs inflated the performance of their staff in the formal system because they did not want to show higher levels of management something negative:

> I will tell them personally… Of course, I cannot say something bad about my subordinates, as it reflects on the whole team and our work. So, normally I won't say anything bad about them during the appraisal. – FLM (#1.02)

> I will do that, but we still need to let them know what are their weaker points. I mean, they can't just give a nice appraisal to the management without improving. – FLM (#1.09)

The design of the PM system allowed for these FLMs to provide feedback to their employees about their weak areas but also to not document performance. A FLM (#1.20) explained that there needed to be justification for a poor evaluation, which could be time consuming:

> I do believe that [referring to being lenient towards poor performers within the formal system] to an extent … there'll be staff who may not be ranked well, but when the scores are finalised, nobody dares to stick out their necks to really give him a very poor score, because we heard that you need to give a lot of explanations if you really, really want to score a particular staff so poorly.

The Director (#1.24) further justified the design of the PM system in the public sector that made it challenging for them to be able to remove poorly performing employees:

> Once you've join[ed] a government sector, how often do you sack people? You can, but it's not easy. You need to write a lot of reports. You would rather not bring them in. If there is a risk, don't bring them in! Once you bring them in, you can never get rid of them until they leave on their own accord.

In addition to being concerned about how the performance of their employees (and themselves) was perceived by higher levels of management, the CONS FLMs were also concerned about the additional paperwork they would have to complete to appropriately evaluate and report poor performance. The FLMs' use of discretion was not meant to undermine the authority of their superiors, but rather allowed them to better manage their responsibilities within the role, which included the expectations of their subordinates and superiors concurrently.

At SVC, the perception that workload was distributed evenly existed, despite senior management's belief that performance affected the type and amount of work that employees got. Specifically, FLMs explained that they did have flexibility in how they chose to distribute the work to their employees:

> Currently, we actually go by locations. So, we distribute based on that, but of course there are certain cases, if one officer is heavily loaded, then it will be passed on to another one to handle. There is no hard and fast rule... There is a firm distribution, but as and when there is a need to, we will also deviate from it. – FLM (#2.20)

> In terms of work distribution, I do have a lot of flexibility. In fact, when I was rotated, because there's this huge internal shuffle in the department and certain people in my team left for the other team and things like that, I had to reshuffle work here and there and I think at the time our senior manager, she let me handle the work distribution. So, in that sense it's quite flexible. – FLM (#2.07)

The workload allocated to frontline employees can impact their perceived performance and visibility because senior management are ultimately responsible for final decisions in the intended PM system – the impression that frontline employees leave on senior management through their work therefore affects the perception that senior management has. The intended

PM system is such that FLMs are restricted in what they can do for the employees because the final decision is out of their jurisdiction. However, FLMs can use a combination of formal and informal PM systems to manage the visibility of themselves and their employees.

The discretion held by FLMs allowed them the opportunity to deviate from the intended PM system through the informal PM system. Within the two case organisations, the discretion allowed the FLMs to manage in their own way against the intended PM system (through what appears to be contradictions between the formal and informal PM systems) but not against the operational goals that they had (which was where the formal and informal PM systems worked together complementarily). SVC demonstrated that FLMs had the discretion to deviate from higher levels of management and allocate work in the manner they believed best fit their work group, giving frontline employees the opportunity to perform in more challenging or difficult tasks that they might not have the experience in. This contrasted with higher management, who believed that better performers would be awarded more work or work that was more challenging.

## DISCUSSION

It is evident in this study that FLMs do not function in silos - other organisational actors influenced the FLM's within their role, affecting the implementation of his or her PM responsibilities and as such the formal and informal PM systems. Figure 3 illustrates the implementation process of FLMs, where they use a combination of formal and informal PM systems within the actual PM system to reach an equilibrium they believe best satisfies what is required from them within their role.
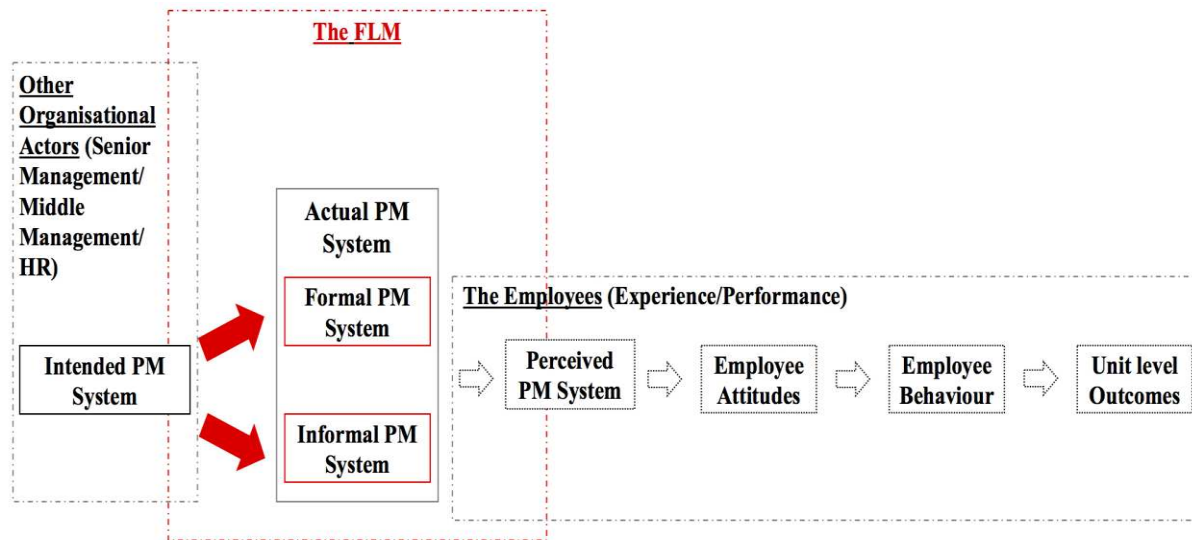
*Figure 2*. The organisational actors within the performance management system. Adapted from the people management-performance causal chain by Purcell and Hutchinson (2007).

At this point, systems theory has not been widely used in examining PM systems and this paper has shown that systems theory has substantial explanatory power in analysing how the sub-systems within a PM system interact. In particular, Schleicher et al. (2018) elaborated on the importance of formal and informal processes within organisations. The formal and informal sub-systems are whole functioning systems used by FLMs to manage their PM responsibilities. According to Nadler and Tushman (1980), the formal PM processes are structured procedures developed by the organisation and the informal PM processes are implicit procedures that develop over time. However, this study demonstrated that the processes within the PM system are not individual processes that have been designed by and/or developed within the organisation that FLMs simply utilise in their role. Rather, the role of the FLMs requires them to utilise the formal PM system and informal PM system that have various formal and informal processes through their discretionary behaviour, allowing them to manage the demands and expectations that they face.

Non-PM literature has explained that formal and informal systems complement (e.g., Marchington and Suter, 2013, Townsend et al., 2013b) or contradict (e.g., Boxall et al., 2007, Mohr and Zoghi, 2008) each other. We found that formal and informal PM systems can contradict, but also complement each other. This is in line with other studies (e.g., Picciotto, 2002, Ram et al., 2019) demonstrating organisations adjust their implementation and use of formal and informal systems to fit their context. The findings in this article show that the apparent contradiction between the formal and informal systems is because of FLMs'

discretion to ensure their operational goals are being met and to manage the expectations of other organisational actors. However, the formal and informal systems still complement each other, working together to ensure that FLMs are balancing the role's responsibilities and managing the performance of their employees to achieve organisational goals. When employees are performing satisfactorily, FLMs use the formal system. However, when employees are performing below expectations, FLMs are more likely to handle it informally, not documenting the performance in the system in the attempt to protect the employee and themselves from scrutiny.

FLMs have discretion when using formal and informal PM systems during the implementation process of the intended PM system. Within the formal PM system, FLMs implement compulsory components of the intended PM system, as higher levels of management are aware of if not completed. For components within the FLM's control, FLMs appear to comply with the intended PM system through the formal PM system to show their superiors that they are doing what is expected of them within their PM responsibilities. By appearing to comply with the intended system, FLMs can appease higher levels of management; however, they also need to manage the expectations of their employees. In order to do so, they use the parallel informal PM system that has already been developed and utilised by their predecessors with its own rules and internal consistency. The FLMs' actions are not ad hoc, but are to ensure they maintain flexibility managing their work group and keeping other organisational actors happy within the system. Just as organisations work toward reaching a steady state within the open systems they operate within (Koehler, 1981), the FLMs work within the PM system to reach their idea of equilibrium based on the demands from their role and other organisational actors.

FLMs are in a position where they need to balance the different demands and expectations of other organisational actors. Within their role, FLMs face conflicting pressures and have to bridge the gap between the intended and actual systems (Hales, 2005, Purcell and Hutchinson, 2007). Notably, FLMs have to manage their operational and HR responsibilities by finding a way to balance, their potentially competing operational and HR responsibilities. At the same time, FLMs also need to manage the different stakeholders and the varying demands they have. As such, FLMs have a role where they use formal and informal system to achieve their idea of balance in the workplace, helping them to achieve work targets, which can mean multiple equilibrium within the PM system in an organisation.

## THEORETICAL AND PRACTICAL IMPLICATIONS

We used a systems theory lens to examine FLMs' implementation of the formal and informal PM systems. Existing research has shown that interactions between different systems can affect the complexity of the overarching system (Jackson, 2000); the interaction between the various systems within an organisation can affect how goals are achieved (Townsend et al., 2013a). However, the distinction between formal and informal systems tends to be neglected in the PM literature, despite the interaction between the two systems serving as a key part of understanding PM. The key theoretical contribution of this article is to PM literature and extending systems theory to demonstrate its effectiveness in explaining the formal and informal interactions. Formal and informal PM systems were shown to be used by managers to reach an equilibrium they believe best satisfies what is required from them within their role. Organisational actors can deviate from the formal system due to obligations that require them to use informal systems (Selznick, 1981). This study also showed that organisational actors face demands and expectations from other organisational actors that cannot be managed adequately within the formal PM system. Consistency in the implementation of the PM system has been shown to be important (e.g., Audenaert et al., 2019, Van Waeyenberg and Decramer, 2018), however, our findings show that variations or inconsistencies in the implementation of PM does not mean that the PM system is not effective. The FLMs use the formal and informal PM systems in the manner they believe best fits the pressures that they face.

Moreover, various components of a system can be independent, yet are meant to fit together to help towards the achievement of goals (Boulding, 1956). Within the PM system, the actions of the FLMs and other organisational actors can affect how the PM components work together. Our research demonstrates that the formal and informal PM systems can overlap and be in flux. The combination of formal and informal PM processes creates the procedures that allow organisational actors to achieve their performance goals and targets within the PM system – the formal and informal systems are not used independent of each other, the FLMs make calculated decisions on how they implement the PM systems. The multiple components of the intended PM system are time consuming and if the various levels of management segregate their operational and PM responsibilities, they would tend to neglect the latter. The discretion that FLMs have in the implementation of the PM system is affected by their attitudes towards PM (Dewettinck and Vroonen, 2016, Purcell and Hutchinson, 2007). Accordingly, the formal and informal systems are whole functioning systems used by FLMs to manage their PM responsibilities; even though they can appear contradictory, the formal and informal PM

systems are used by FLMs in a complementary manner to practically accommodate their operational goals.

The main practical contribution of the article comes from the need for organisations to be aware of the dilemma faced by organisational actors when they try to balance the expectations and demands of their superiors and subordinates within the PM system. Instead of all components of a system working together for the achievement of a common goal (Boulding, 1956), our research shows that components of the PM system are used to achieve performance goals by juggling the expectations of other organisational actors. Each level of management does not function in a silo and needs to support the others to reach a cohesive and consistent use of the PM system. As such, the roles and responsibilities of organisational actors needs to be reconsidered to ensure that they can work with each other and the components of the PM system. Additionally, rather than discounting the effectiveness of the PM system (Goh et al., 2015, Morgan, 2006), organisations can rethink the individual components within the system and how they can be re-designed or re-worked to allow FLMs and other organisational actors to utilise and implement them effectively by having a better understanding of each other roles in the system not just in relation to PM but their wider organisational roles and responsibilities.

**LIMITATIONS AND FUTURE RESEARCH**

While the nature of this in-depth qualitative study is instructive and illustrative, the sample was drawn from only two statutory boards in Singapore's public sector from two specific sectors. Additionally, interviewees were part of departments within a division under two directors (one from each organisation). This may limit the generalisability of the findings to other departments and organisations. While the two organisations came from different sectors and there were similarities in the findings between them, the extent to which the findings can be generalised beyond the infrastructure and environment sector and central administration sector is difficult to determine. Findings from the study may be generalisable to other similar organisations; however, future studies may attempt to examine whether the empirical results about the roles of FLMs in the PM system can be generalised to fit organisations in other sectors.

The ability to determine causal relationships between the role of FLM and PM systems was restricted by the sole use of qualitative methods. The exploratory nature of the study allowed for the use of qualitative methods to answer the research questions; however, the inclusion of a quantitative component would further extend the exploration of implementation of the PM

system and the relationship between PM and the role of FLMs. Including equal representations from both organisations and the use of quantitative research methods would strengthen the findings from this research.

We also focused on the role of FLMs in the implementation of formal and informal PM systems. Future research could examine the roles of other organisational roles in PM and the extent to which they affect the balance between the formal and informal PM systems. Additionally, it would be worthwhile for future research to study how far and under what conditions the formal and informal systems might be complementary or contradictory to better our understanding of the interaction between the two systems.

**CONCLUSION**

FLMs are in a position bridging the gap between intended and actual PM despite the lack of corresponding authority within the PM system. Using a systems theory lens, this article provides important new findings regarding how formal and informal PM systems are implemented in organisations. The findings indicate that FLMs are constrained by their role within the intended PM system but are able to use discretionary behaviour within the formal and informal PM systems to allow them to manage demands of their role. Senior management was identified as the key driver behind the formal PM system, where the visibility of frontline employees heavily influenced senior management's evaluation of performance. However, frontline managers were identified as playing the key role within the informal PM system, shaping the experiences of frontline employees.

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# Appendix

*CONS Participant Demographic Information*

| Interview # | Code | Age | Gender | Title | Position | # supervised | Years in service | Department | Relationships |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1.01 | 44 | Female | Senior Manager | MM | Did not provide | 19 | HR | Did not interview |
| 2 | 1.02 | 48 | Female | Deputy Contracts Manager | FLM | 2 | 4 | Department C | Did not interview |
| 3 | 1.03 | 29 | Female | Senior Engineering Officer | FLE | 0 | 5 | Department C | Did not interview |
| 4 | 1.04 | 42 | Female | Contracts Manager | FLM | 3 | 17 | Department C | Did not interview |
| 5 | 1.05 | 31 | Male | Senior Assistant Engineer | FLE | 0 | 3 | Department 3 | RO: 1.07 |
| 6 | 1.06 | 57 | Male | Principal Project Manager | MM | 16 | 27 | Department 3 | RO: 1.24 |
| 7 | 1.07 | 26 | Male | Executive Engineer | FLE/FLM | 1 | 1 | Department 3 | RO: 1.10 |
| 8 | 1.08 | 41 | Male | Site Supervisor | FLE | 0 | 16 | Department 3 | Did not interview |
| 9 | 1.09 | 29 | Female | Deputy Contract Manager | FLM | 2 | 4 | Department C | Did not interview |
| 10 | 1.10 | 40 | Male | Deputy Project Manager | FLM | 2 | 6 | Department 3 | RO: 1.06 |
| 11 | 1.11 | 42 | Male | Senior Engineer | FLE/FLM | 3 | 16 | Department 3 | RO: 1.06 |
| 12 | 1.12 | 38 | Male | Contracts Manager | FLM | 2 | 15 | Department C | Did not interview |
| 13 | 1.13 | 46 | Male | Principal Project Manager | MM | 30 | 9 | Department 1 | Did not provide |
| 14 | 1.14 | 48 | Male | Project Manager | MM | 18 | 4 | Department 1 | RO: 1.13 |
| 15 | 1.15 | 28 | Female | Senior Engineer | FLM | 2 | 3 | Department 1 | RO: 1.13 |
| 16 | 1.16 | 32 | Male | Senior Engineer | FLM | 2 | 7 | Department 1 | RO: 1.21 |
| 17 | 1.17 | 38 | Female | Deputy Project Manager | FLM | 1 | 17 | Department 1 | RO:1.21 |
| 18 | 1.18 | 59 | Male | Project Manager | FLM | 6 | 20 | Department 1 | RO: 1.21 |
| 19 | 1.19 | 31 | Female | Deputy Manager | FLM | 16 | 5 | Department 1 | RO: 1.21 |
| 20 | 1.20 | 33 | Female | Deputy Project Manager | FLM | 5 | 4 | Department 1 | RO: 1.18 |
| 21 | 1.21 | 39 | Male | Senior Project Manager | MM | 36 | 7 | Department 1 | Did not interview |
| 22 | 1.22 | 31 | Male | Deputy Project Manager | FLM | 4 | 4 | Department 1 | RO: 1.21 |
| 23 | 1.23 | 40 | Male | Deputy Project Manager | FLM | 4 | 3 | Department 1 | RO: 1.21 |
| 24 | 1.24 | 49 | Male | Director | SM | 160 | 26 | Overall Head | Did not interview |
| 25 | 1.25 | 32 | Male | Deputy Project Manager | FLM | 5 | 7 | Department 2 | Did not interview |
| 26 | 1.26 | 54 | Male | Senior Project Manager | MM | 9 | 8 | Department 1 | Did not interview |
| 27 | 1.27 | 38 | Female | Deputy Manager | FLM | 2 | 0.5 | HR | RO: 1.01 |

*Note*. 'FLE' = Frontline employee; 'FLM' = Frontline manager; 'MM' = Middle manager; 'SM' = Senior manager; 'RO' = Reporting officer
Participant #1.07 and #1.11 have the position of FLE/FLM as they only have some official managerial responsibilities for their subordinates.

*SVC Participant Demographic Information*

| Interview # | Code | Age | Gender | Title | Position | # supervised | Years in service | Department | Relationships |
|---|---|---|---|---|---|---|---|---|---|
| 28 | 2.01 | 32 | Male | Principal Executive | FLE | 0 | 3 | A | Did not interview |
| 29 | 2.02 | 24 | Female | Senior Executive | FLE | 0 | 1 | A | RO: 2.07 |
| 30 | 2.03 | 25 | Female | Principal Executive | FLE | 0 | 2 | A | RO: 2.08 |
| 31 | 2.04 | 24 | Female | Senior Executive | FLE | 0 | 1 | A | RO: 2.08 |
| 32 | 2.05 | 31 | Female | Principal Executive | FLE | 0 | 3 | A | RO: 2.07 |
| 33 | 2.06 | 25 | Female | Principal Executive | FLE | 0 | 2 | A | RO: 2.07 |
| 34 | 2.07 | 30 | Male | Head | FLM | 3 | 5 | A | Did not interview |
| 35 | 2.08 | 30 | Male | Head | FLM | 3 | 5 | A | RO: 2.22 |
| 36 | 2.09 | 25 | Female | Principal Executive | FLE | 0 | 2 | A | RO: 2.13 |
| 37 | 2.1 | 27 | Male | Principal Executive | FLE | 0 | 2 | A | RO: 2.13 |
| 38 | 2.11 | 29 | Male | Assistant Manager | FLE | 0 | 4 | A | RO: 2.22 |
| 39 | 2.12 | 28 | Male | Principal Executive | FLE | 0 | 2 | S | RO: 2.20 |
| 40 | 2.13 | 32 | Female | Head | FLM | 3 | 5 | A | Did not interview |
| 41 | 2.14 | 31 | Male | Principal Executive | FLE | 0 | 4 | S | Did not interview |
| 42 | 2.15 | 30 | Male | Principal Executive | FLE | 0 | 4 | S | RO: 2.17 |
| 43 | 2.16 | 29 | Female | Principal Executive | FLE | 0 | 5 | S | RO: 2.18 |
| 44 | 2.17 | 46 | Female | Head | FLM | 6 | 20 | S | RO: 2.18 |
| 45 | 2.18 | 35 | Male | Senior Manager | MM/FLM | 15 | 9 | S | RO is SM |
| 46 | 2.19 | 27 | Female | Principal Executive | FLE | 0 | 2 | S | RO: 2.18 |
| 47 | 2.2 | 46 | Female | Assistant Manager | FLM | 5 | 23 | S | Did not interview |
| 48 | 2.21 | 26 | Female | Principal Executive | FLE | 0 | 3 | S | RO: 2.20 |
| 49 | 2.22 | 35 | Male | Senior Manager | MM/FLM | 13 | 9 | A | RO: 2.29 |
| 50 | 2.23 | 30 | Female | Principal Executive | FLE | 0 | 4 | S | RO: 2.18 |
| 51 | 2.24 | 38 | Male | Assistant Manager | FLE | 0 | 9 | S | RO: 2.17 |
| 52 | 2.25 | 29 | Female | Assistant Manager | FLE | 0 | 5 | S | RO: 2.18 |
| 53 | 2.26 | 29 | Female | Assistant Manager | FLE | 0 | 5 | S | Did not interview |
| 54 | 2.27 | 51 | Female | Senior Manager | FLM | 6 | >20 | S | Did not interview |
| 55 | 2.28 | 34 | Female | Assistant Manager | FLE | 0 | 5 | S | Did not interview |
| 56 | 2.29 | 46 | Female | Director | SM | 75 | X provided | Overall Head | X provided |
| 57 | 2.30 | X provided | Female | Deputy Director | SM | X provided | X provided | A | RO: 2.29 |

Note. 'FLE' = Frontline employee; 'FLM' = Frontline manager; 'MM' = Middle manager; 'SM' = Senior manager; 'RO' = Reporting officer
Participant #2.18 and #2.22 have the position of MM/FLM as they are middle managers but also have to take on frontline managerial responsibilities.