



Compassionate Performance Management and Sustainable Productivity

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Abstract

Performance management systems are conventionally designed to align employee behavior with organizational objectives through goal setting, measurement, feedback, appraisal, recognition, and corrective action. However, performance regimes that emphasize short-term output without sufficient attention to employee capacity, contextual constraints, fairness, and psychological well-being may produce work intensification rather than durable performance improvement. The present study develops the concept of compassionate performance management as an accountability-oriented approach that combines clear performance expectations with attentive listening, developmental feedback, procedural fairness, workload sensitivity, employee voice, and proportionate managerial support.

The study examines whether such an approach can contribute to sustainable productivity, defined here as the capacity to maintain strong work performance over time without systematically depleting employee health, engagement, or adaptive capacity. Because no primary organizational dataset was supplied, a simulation-based explanatory design was adopted. Five scenarios representing increasing levels of compassion-integrated performance management were evaluated using simulated indices of goal clarity, feedback safety, employee well-being, strain risk, and sustainable productivity. The simulated sustainable-productivity index increased from 58 under the lowest compassion-integration condition to 88 under the highest, while the employee well-being index increased from 52 to 87 and strain risk declined from 72 to 36.

The results do not constitute empirical evidence from a real workforce; instead, they demonstrate theoretically coherent relationships suitable for future field validation. The study argues that compassion should not be equated with leniency or reduced performance standards. Properly institutionalized, compassionate performance management can preserve accountability while improving the quality of managerial diagnosis, feedback acceptance, employee recovery, and long-term performance capacity. The proposed framework contributes to performance-management research by integrating compassion, employee well-being, fairness, engagement, and sustainable human-resource perspectives into a unified approach to organizational productivity.

Keywords: compassionate performance management, sustainable productivity, employee well-being, performance appraisal, developmental feedback, employee engagement, organizational compassion, sustainable human resource management



1. Introduction

Performance management occupies a central position in organizational governance because it connects strategic priorities with employee goals, behavior, feedback, development, recognition, and accountability. Contemporary scholarship has increasingly distinguished effective performance management from a narrow annual appraisal exercise. DeNisi and Smith conceptualize performance management as a broader organizational process through which individual performance may contribute to higher-level outcomes, while Schleicher and colleagues emphasize that effectiveness depends on multiple mechanisms rather than the existence of a formal appraisal procedure alone. This broader understanding creates space to examine not only whether employees meet performance targets but also how organizations create the conditions under which strong performance can be maintained over time.

A persistent difficulty arises when performance systems become excessively dependent on numerical targets, corrective monitoring, comparison, and retrospective judgment. Such arrangements may encourage short-term effort while overlooking factors that influence whether performance remains psychologically and operationally sustainable. Employee illness, caregiving responsibilities, workload imbalance, inadequate resources, role ambiguity, interpersonal difficulty, and temporary capability gaps can all affect performance without necessarily indicating low commitment. A performance conversation that interprets every shortfall as an individual motivational failure may therefore misdiagnose the underlying problem. Research on performance-management effectiveness has shown the importance of accuracy, fairness, participative goal setting, feedback, and engagement in shaping employee responses and performance outcomes.

Compassion provides a useful but underdeveloped perspective for addressing this limitation. Kanov and colleagues conceptualize workplace compassion as a process involving noticing another person's difficulty, experiencing an appropriate empathic response, and taking action intended to alleviate that difficulty. Their organizational perspective further suggests that compassionate responses can become embedded in organizational systems rather than remaining isolated interpersonal acts. Lilius and colleagues subsequently demonstrated that experiences of compassion at work are associated with meaningful relational and emotional consequences, while Dutton, Workman, and Hardin's review consolidated compassion as a serious organizational phenomenon rather than a purely private emotion. Integrating compassion into performance management does not imply eliminating standards, avoiding difficult conversations, or rewarding poor performance irrespective of circumstances.

A compassionate system can maintain demanding but credible expectations while changing the way performance problems are diagnosed and addressed. Gruman and Saks argue that performance management can be designed to cultivate employee engagement, and Guest's employee-well-being framework challenges HR systems to consider mutual gains rather than treating employee welfare as subordinate to organizational performance. These perspectives suggest that accountability and employee well-being need not necessarily constitute opposing organizational objectives.

The present study therefore examines compassionate performance management and sustainable productivity through a simulation-based organizational framework. Sustainable productivity is operationally defined as the maintenance of useful performance while preserving employee well-being, engagement, capacity for learning, and recoverability across time. The study investigates whether performance-management practices characterized by contextual understanding, fair expectations,



developmental dialogue, employee voice, and supportive correction could theoretically strengthen productivity without creating an equivalent increase in human strain. The resulting model is intended as a foundation for subsequent empirical testing rather than as evidence from an observed workforce.

2. Objectives of the Study

2.1 To Conceptualize Compassionate Performance Management

The first objective is to establish a clear organizational meaning of compassionate performance management. In this study, compassion is not treated as unrestricted accommodation or managerial softness. Instead, it describes a disciplined process through which managers recognize relevant employee difficulties, investigate their causes, communicate expectations respectfully, and select responses proportionate to both organizational requirements and individual circumstances.

This conceptualization seeks to integrate the performance-management functions of goal clarity, feedback, assessment, development, and accountability with the compassion processes identified in organizational scholarship. The objective is therefore to design a model in which humane treatment strengthens rather than replaces performance discipline.

2.2 To Examine the Relationship Between Compassion and Sustainable Productivity

The second objective is to assess whether increasing the compassionate qualities of performance management can theoretically coexist with stronger productivity. Sustainable productivity is distinguished from temporary output escalation because short-lived productivity gains achieved through chronic overload, anxiety, or resource depletion may not remain viable across extended periods.

The study consequently examines simultaneous changes in productivity and employee well-being rather than considering either variable independently. This dual-outcome perspective is consistent with Guest's argument that HRM research should take employee well-being seriously while examining organizational performance and with sustainable HRM perspectives that challenge purely instrumental approaches to human resources.

2.3 To Develop a Framework for Future Organizational Validation

The third objective is to produce a structured framework that can later be tested using real organizational data. The simulation identifies measurable dimensions that could be incorporated into employee surveys, manager assessments, longitudinal intervention studies, field experiments, or multilevel organizational research.

Future validation could determine whether compassionate performance-management practices influence feedback acceptance, engagement, employee voice, absenteeism, burnout risk, performance stability, innovation, or retention. The present study therefore functions as a theory-development and analytical demonstration rather than a claim of completed empirical validation.

3. Review of Literature

3.1 Compassion as an Organizational Process

Kanov, Maitlis, Worline, Dutton, Frost, and Lilius provided one of the foundational organizational treatments of compassion by explaining it through the interconnected processes of noticing suffering,

feeling concern, and responding to alleviate the difficulty. Importantly, their framework moved compassion beyond individual personality by examining the organizational conditions through which compassionate responses can become legitimated, propagated, and coordinated. This distinction is highly relevant to performance management because managerial compassion becomes more reliable when supported by procedures, leadership norms, discretion, and organizational resources rather than being dependent exclusively on the personal disposition of an individual supervisor.

Lilius and colleagues later examined the contours and consequences of compassion at work and reinforced the idea that compassionate experiences carry meaningful organizational consequences. Dutton, Workman, and Hardin's broader review likewise concluded that compassion constitutes an important interpersonal and organizational process with implications for how people experience difficult circumstances at work. Taken together, this literature provides a strong theoretical basis for asking whether performance-management systems can institutionalize attention and supportive action without abandoning objective performance requirements.

3.2 Performance Management, Fairness, and Engagement

Performance management involves substantially more than rating an employee after work has already occurred. Gruman and Saks propose an engagement-oriented model in which performance agreement, engagement facilitation, performance appraisal, and feedback can operate as interconnected processes. Their argument is particularly useful because it shifts attention from evaluation alone toward the conditions that enable effective performance. A system that asks employees to achieve targets but ignores resource constraints, role clarity, development needs, or usable feedback may therefore be formally rigorous while remaining behaviorally ineffective.

Sharma, Sharma, and Agarwal conceptualized employee perceptions of performance-management effectiveness through dimensions that include accuracy and fairness, while Awan and colleagues reported that performance-management-system effectiveness and work engagement were associated with task and contextual performance in their study of private-bank employees. Awan and colleagues also emphasize participative goal setting, regular feedback, development, and fair treatment within effective performance management. These findings make fairness and relational quality relevant to performance outcomes rather than positioning them as secondary welfare considerations.

3.3 Employee Well-Being and Sustainable Performance

Guest argues for an HRM framework capable of producing mutual gains for employees and organizations, explicitly placing employee well-being at the center of the employment relationship rather than treating it as a residual benefit. This position is important for performance management because an organization can theoretically increase immediate effort while simultaneously undermining health, trust, or willingness to sustain that effort. Productivity should therefore be considered temporally: a practice that raises output for one measurement cycle but creates exhaustion, withdrawal, or turnover may have weak sustainability.

Aust, Matthews, and Müller-Camen extend the sustainability conversation by presenting Common Good HRM as a broader alternative to narrowly instrumental HR approaches. Although compassionate performance management is not identical to Common Good HRM, both perspectives

question whether people should be managed solely as production inputs. The literature therefore supports a research gap at the intersection of organizational compassion, performance-management effectiveness, employee well-being, and sustained productivity. The present framework addresses this intersection by examining whether managerial compassion can operate as a performance-support mechanism rather than merely an employee-relations practice.

4. Research Methodology

4.1 Research Design and Analytical Scope

A quantitative simulation-based explanatory design was adopted because no real organizational, employee, appraisal, health, or productivity dataset was supplied. The study therefore does not claim to report observed causal effects. Instead, a synthetic analytical model was developed to test whether relationships derived from existing theory could be represented coherently across alternative performance-management conditions.

The simulation represents five organizational scenarios ranging from 20% to 100% compassion-integrated performance management intensity. Higher intensity represents progressively stronger incorporation of contextual diagnosis, respectful feedback, employee voice, fair goal adjustment, managerial support, developmental correction, workload consideration, and psychological safety. Performance standards remain present in every scenario; the manipulated conceptual dimension is the quality of the managerial process through which those standards are established and pursued.

4.2 Construct Operationalization

Five analytical constructs were incorporated: goal clarity, feedback safety, employee well-being, performance-related strain risk, and sustainable productivity. Goal clarity captures employee understanding of required outcomes and performance expectations. Feedback safety represents the extent to which employees can receive, discuss, and question performance information without disproportionate interpersonal threat. Employee well-being reflects simulated work-related psychological functioning, while strain risk represents the probability of unsustainable effort patterns.

Table 1: Operationalization of the Compassionate Performance-Management Framework

Construct	Operational Meaning	Simulated Scale	Expected Relationship
Compassion-Integrated PM	Extent to which performance processes incorporate listening, contextual diagnosis, fairness, support, voice, and respectful accountability	0–100	Independent scenario variable
Goal Clarity	Understanding of expected performance, priorities, and standards	0–100	Positive
Feedback Safety	Ability to discuss performance gaps and difficulties without excessive interpersonal	0–100	Positive



Construct	Operational Meaning	Simulated Scale	Expected Relationship
	threat		
Employee Well-Being	Sustainable psychological functioning and perceived work capacity	0–100	Positive
Performance Strain Risk	Risk that productivity is maintained through excessive or depleting effort	0–100	Negative
Sustainable Productivity	Capacity to maintain useful performance without systematic deterioration in employee capacity	0–100	Positive

The construct structure draws conceptually on the compassion processes established by Kanov and colleagues, the engagement-oriented performance-management model proposed by Gruman and Saks, the well-being perspective advanced by Guest, and research emphasizing accuracy and fairness within performance-management effectiveness. These sources informed theoretical direction only; none supplied the simulated numerical values.

4.3 Simulation Procedure and Evaluation Logic

Five scenario conditions were generated at compassion-integration levels of 20%, 40%, 60%, 80%, and 100%. Synthetic index values were then assigned using monotonic but non-identical progressions to avoid implying that every organizational outcome responds at the same rate. Sustainable productivity was modeled as a joint outcome influenced by clarity, feedback quality, well-being, and reduced strain rather than as a direct mathematical equivalent of compassion.

The analytical interpretation focuses on directional coherence and trade-offs rather than statistical significance. Inferential statistics, probability values, confidence intervals, and claims of population generalizability are intentionally excluded because they would create a misleading appearance of empirical validation. No human participants, confidential organizational records, personally identifiable information, or experimentally observed employee data were involved; consequently, human-subject ethical approval was not applicable to the simulated analysis.

5. Analysis

5.1 Comparative Performance Across Compassion-Integration Levels

The simulated results indicate progressive improvement across most desirable organizational outcomes as compassionate features become more strongly embedded within performance management. At the 20% integration condition, sustainable productivity is 58 and employee well-being is 52, while strain risk remains comparatively high at 72. This scenario represents a strongly target-centered system with limited contextual dialogue or supportive correction.

At 100% compassion integration, sustainable productivity reaches 88, employee well-being reaches 87, feedback safety reaches 88, and strain risk declines to 36. Importantly, the simulation does not achieve this result by lowering expected performance. Instead, productivity increases alongside employee capacity, illustrating the theoretical possibility that accountability supported by better diagnosis and developmental intervention may outperform accountability based predominantly on pressure.

Table 2: Simulated Outcomes Across Compassionate Performance-Management Conditions

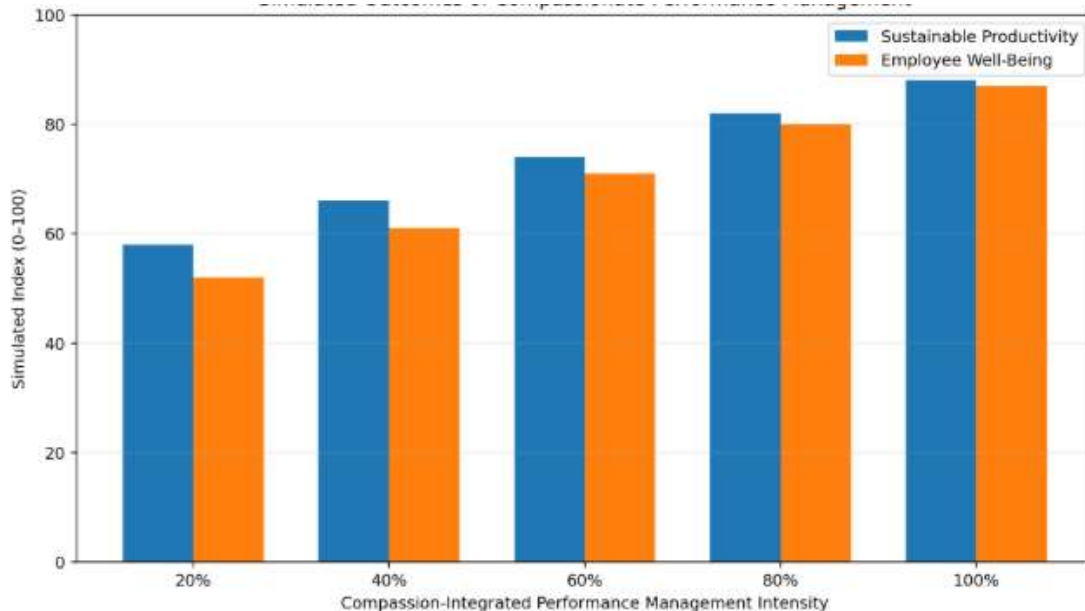
Compassion-Integrated PM	Goal Clarity	Feedback Safety	Employee Well-Being	Strain Risk	Sustainable Productivity
20%	60	48	52	72	58
40%	68	59	61	63	66
60%	75	69	71	53	74
80%	83	80	80	44	82
100%	89	88	87	36	88

Note: Values are synthetic indices ranging from 0 to 100. They are presented exclusively for analytical demonstration and must not be interpreted as observed workforce statistics.

5.2 Joint Development of Productivity and Employee Well-Being

The graph demonstrates that simulated productivity and employee well-being increase together rather than following a zero-sum relationship. Sustainable productivity rises from 58 to 88 across the five conditions, representing an increase of approximately 51.7% relative to the initial simulated index. Employee well-being rises from 52 to 87, an increase of approximately 67.3% relative to its baseline simulated value.

Graph 1: Simulated Outcomes of Compassionate Performance Management



The convergence between the two indices at higher compassion-integration levels is analytically significant. At the lowest level, productivity exceeds well-being by six index points; at the highest level, the difference is only one point. Within the model, stronger productivity therefore becomes less dependent on a separation between organizational output and employee welfare.

5.3 Reduction of Performance-Related Strain

The strain-risk index declines from 72 to 36 while sustainable productivity rises from 58 to 88. This inverse pattern represents the central proposition of the sustainable-productivity concept. Productivity is considered stronger when its maintenance requires less chronic human depletion rather than when employees merely produce more during a short measurement period.

The model suggests that compassionate performance management can theoretically reduce strain through earlier identification of barriers, realistic resource diagnosis, employee voice, targeted development, and differentiated responses to performance problems. An employee lacking skill, an employee experiencing temporary overload, and an employee deliberately withholding effort represent different management problems. A compassionate but accountable system attempts to identify these differences before prescribing corrective action.

6. Discussion

6.1 Compassion as a Mechanism of Better Performance Diagnosis

The findings support a conceptual distinction between compassion and permissiveness. Compassionate performance management does not require managers to accept persistent underperformance without intervention. Rather, it changes the quality of the diagnostic process preceding intervention. Kanov and colleagues' compassion framework begins with noticing and understanding difficulty before responsive

action occurs. Applied to performance management, this means that managers first seek to establish why a gap exists before determining whether the appropriate response is coaching, workload adjustment, clearer expectations, resource provision, capability development, formal correction, or another action. Such diagnosis can increase managerial precision. Conventional systems may treat identical numerical performance gaps as equivalent even when their causes differ substantially. A compassionate approach introduces context without abandoning evidence. It can therefore remain rigorous because contextual information becomes an additional source of performance intelligence rather than a substitute for standards.

The implication is that organizations should evaluate managers not only on whether performance conversations occur but also on whether those conversations accurately identify barriers to performance. This approach complements research emphasizing accuracy and fairness as important components of performance-management effectiveness. Awan and colleagues found that employees' perceptions of performance-management effectiveness and engagement were meaningfully connected with performance outcomes, reinforcing the importance of how performance systems are experienced by employees.

6.2 Developmental Feedback, Fairness, and Sustainable Effort

The simulated improvement in feedback safety is consistent with the proposition that employees are more likely to engage constructively with performance information when feedback is specific, respectful, credible, and actionable. Gruman and Saks position performance management as a potential mechanism for employee engagement rather than merely administrative evaluation. A compassionate approach strengthens this developmental orientation by recognizing that difficult feedback can remain demanding without becoming degrading.

Fairness is equally important. Compassion that is unpredictable, selectively available, or based on favoritism could itself weaken trust. Compassionate performance management therefore requires transparent principles and proportionate discretion. Similar performance circumstances should be evaluated consistently, while meaningful contextual differences should be recognized rather than artificially ignored. Sharma and colleagues' performance-management effectiveness research emphasizes employees' perceptions of accuracy and fairness, supporting the need for systematic rather than arbitrary managerial discretion.

Sustainable effort emerges when employees understand expectations and retain sufficient capacity to meet them repeatedly. An exclusively pressure-driven model can potentially stimulate short-term effort while simultaneously increasing avoidance, presenteeism, exhaustion, defensive behavior, or eventual withdrawal. The present simulation instead represents a mutual-gains pathway in which productivity increases as employee well-being and feedback safety improve. This is theoretically consistent with Guest's argument for HR systems that attend simultaneously to organizational and employee outcomes.

6.3 Implications for Sustainable Productivity and HR Governance

The sustainable-productivity perspective changes the temporal unit through which organizational performance is evaluated. A workforce that reaches a quarterly target through extreme overtime may

appear productive during the measurement period but may generate later costs through errors, absence, disengagement, turnover, or reduced learning capacity. Performance-management governance should therefore distinguish output volume from the sustainability of the human system producing that output. This position also aligns with wider sustainable HRM debates. Aust, Matthews, and Müller-Camen argue for approaches to HRM that move beyond narrowly instrumental organizational interests. Compassionate performance management offers a more specific managerial mechanism within that broader debate by demonstrating how day-to-day practices of target setting, feedback, evaluation, and corrective intervention can incorporate human sustainability.

Organizations adopting such an approach would still need safeguards. Managers require training to distinguish empathy from avoidance, contextual flexibility from favoritism, and supportive intervention from indefinite tolerance of unresolved performance problems. Employees should similarly understand that compassionate treatment preserves reciprocal responsibility. The strongest version of the model is therefore neither punitive performance management nor unconditional accommodation; it is high-accountability, high-support performance management.

7. Conclusion

This study develops compassionate performance management as an organizational approach that combines clear expectations and performance accountability with attentive listening, contextual diagnosis, procedural fairness, developmental feedback, employee voice, and proportionate managerial support. The central argument is that compassion should not be interpreted as the relaxation of organizational standards. When applied systematically, it can improve the accuracy with which performance problems are understood and the appropriateness of managerial responses.

The simulation illustrates a theoretically coherent pattern in which sustainable productivity rises from 58 to 88 as compassion integration increases, while employee well-being rises from 52 to 87 and performance-related strain falls from 72 to 36. These values are synthetic and must not be presented as real organizational findings. Their purpose is to demonstrate the proposed model and establish measurable propositions for subsequent empirical investigation.

The broader implication is that sustainable productivity requires organizations to consider both what employees produce and the human conditions through which that performance is maintained. Performance obtained through chronic depletion may satisfy an immediate indicator while weakening future capacity. A compassionate system can potentially protect long-term productivity by identifying resource barriers earlier, making feedback more usable, supporting employee development, and preserving trust while retaining legitimate accountability.

Future research should validate the proposed relationships using longitudinal organizational datasets, matched employee-manager surveys, intervention studies, or multilevel designs. Particular attention should be given to boundary conditions because compassion may operate differently across occupations, cultures, remote-work settings, high-risk industries, and highly standardized performance environments. Empirical research should also examine possible unintended effects, including inconsistent managerial discretion or perceived favoritism. Until such evidence is available, the present article should be regarded as a simulation-based theoretical contribution rather than empirical proof of the effectiveness of compassionate performance management.



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