Managing Performance & Setting a Performance Culture

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27/04/2022

Session Outline

- Ice Breaker

- What is a Performance Culture?

- Setting up a Performance Management Process

- Performance Management
  - Biases in Performance Management
  - Fallacies in Attribution
  - Providing Feedback
  - Driving Performance – Some Studies

- The Role of Leadership in Driving Performance

Ice Breaker

3 Minute Challenge

- 10 Scrambled Words
- 20 Seconds for each
- If stuck, just move on to the next word

Example

- OLCKC ➡ Clock

1. VPPLEA ➡ ?

2. EGARRNE ➡ ?

3. CFEPSRE ➡ ?

4. CEERAZ ➡ **?**

5. LOUVMEV ➡ ?

7. JETKACSK ➡ **?**

8. YBVEETR ➡ ?

9. PKVREEE **?** ➡

10. OVPLNEEE ➡ ?

Ice Breaker

Show of (virtual) hands …

- How many of you managed to unscramble 10 words?
- How many of you managed to unscramble 9 words?
- How many of you managed to unscramble 7 words?
- How many of you managed to unscramble 5 words?
- How many of you managed to unscramble 3 words?
- How many of you managed to unscramble 1 words?

Ice Breaker

- In reality only the last word could be unscrambled.

- **10.** OVPLEENE ➡ ENVELOPE

- The other words could NOT be unscrambled to form a meaningful word.
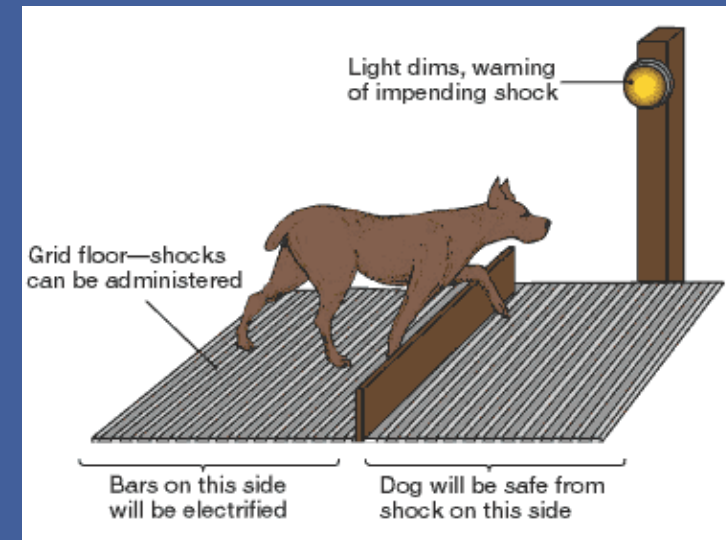
Ice Breaker

- In 1967, Martin Seligman stumbled across the issue of learned helplessness while carrying out experimental research on dogs.

- Originally, he was studying the effects of punishment on behaviour and learning.
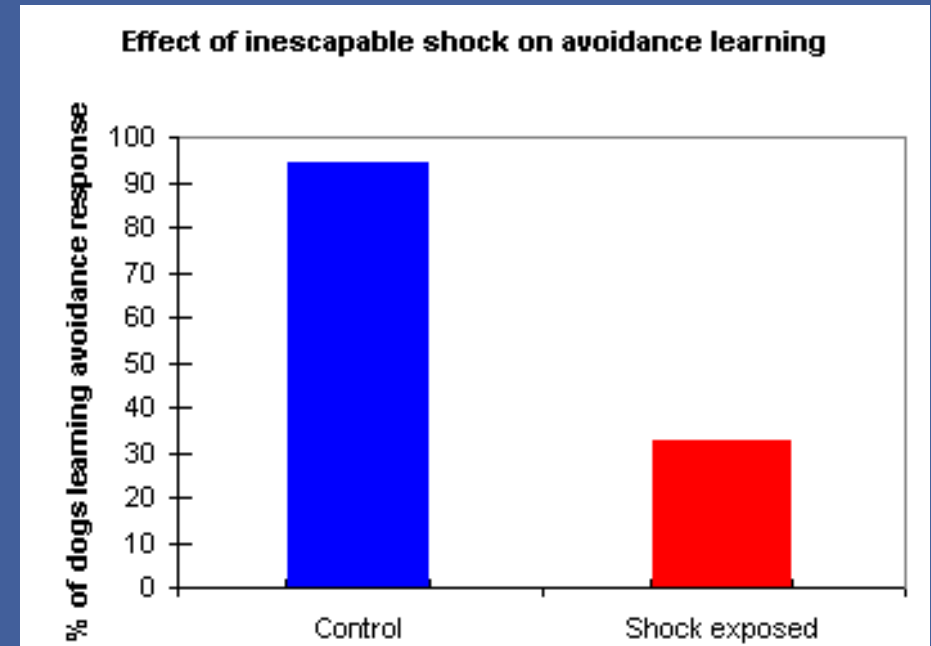
Ice Breaker

- In his study he divided dogs in two groups; the first group was administered a shock but had the opportunity to escape following a warning; the second group could not avoid the situation as a barrier was set up between the safe area.

Light dims, warning of impending shock

Grid floor—shocks can be administered

Bars on this side will be electrified

Dog will be safe from shock on this side

Ice Breaker

- Eventually both set of dogs were placed in a second situation in which they could avoid the shock.

- Dogs in the first group were far more likely to try and escape from the situation.

Effect of inescapable shock on avoidance learning

% of dogs learning avoidance response — Control, Shock exposed

Ice Breaker

- Was this the case in the word scrambling exercise?

- How do we as leaders manage success and failure at the workplace?

- Are we administering 'electric shocks' to our colleagues or encouraging success and initiative?

- Very often, small positive experiences lead to perseverance and a sense of mastery, while small failures lead a person to give up

What is a Performance Culture?

Nokia CEO Cries During his last Speech

Nokia CEO Ended His Speech Saying This 'We Didn't Do Anything Wrong But Somehow, We Lost'
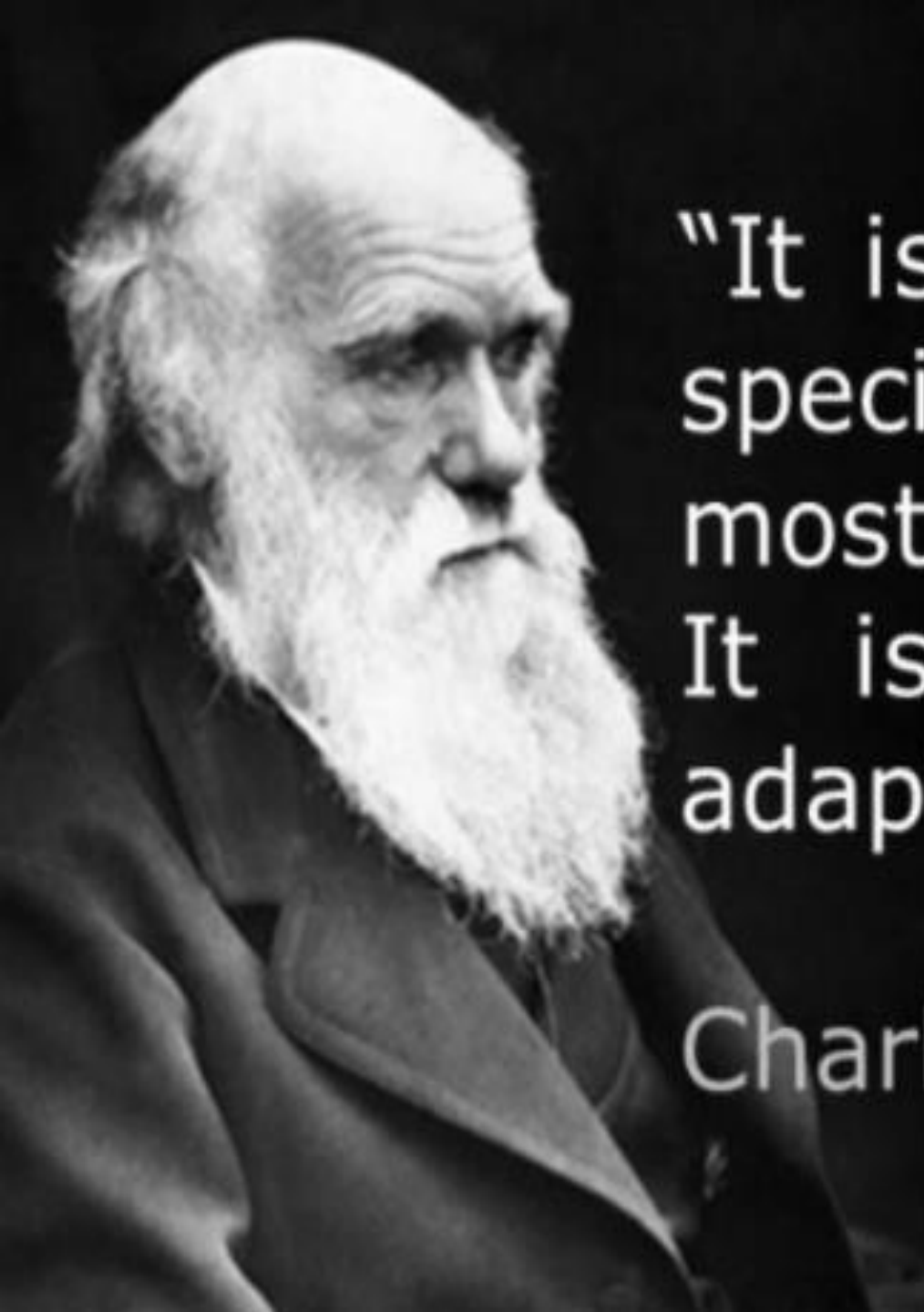
Work like hell. I mean you just have to put in 80 to 100 hour weeks every week. [This] improves the odds of success. If other people are putting in 40 hour work weeks and you're putting in 100 hour work weeks, then even if you're doing the same thing you know that you will achieve in 4 months what it takes them a year to achieve.

— *Elon Musk* —

AZ QUOTES

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change."

Charles Darwin (1809 – 1882)

What is a Performance Culture?

55% *

- of companies in Malta have a performance management system

- * which means that 45% do not!

(Misco, HR Developments, November 2021)

What is a Performance Culture?

14%

- of the companies that have a performance management system, stated that it has not been so effective, or is not effective at all.

(Misco, HR Developments, November 2021)

What is a Performance Culture?

- What makes a performance management process successful?

- Achievement of objectives (86%)
- Skills development (74%)
- Motivation (68%)
- Other factors: development of competences, improved quality, and changes in staff behaviour.

(Misco, HR Developments, November 2021)

What is a Performance Culture?

Individual Differences

- Appraisals and reviews are based on the premise that there are differences in performance between persons and that these differences can be reviewed systematically.

- The notion of individual differences was studies in the 1800s and became popular following the work of Charles Darwin and Francis Galton.

- Individual traits and characteristics (like a good number of other natural characteristics) where found to form a normal distribution when quantified.

- The significant point here is that the normal distribution carries important mathematical properties.

PERCENT OF SCORES UNDER THE NORMAL CURVE

| 1% | 2% | 5% | 9% | 15% | 18% | 18% | 15% | 9% | 5% | 2% | 1% |

What is a Performance Culture?

Individual Differences

- Performance in the workplace is also believed to follow these same patterns, with the majority of employees (66%) falling within the slightly above average or slightly below average categories.

- Reviews and appraisals should recognise this and also should show the ability to handle accordingly the remaining 33% (top performers and low performers).

What is a Performance Culture?

Individual Differences

- The review and appraisal process is one in which we should 'discriminate' performance but we should do so in a consistent, valid and fair manner.

- These characteristics can be achieved through consideration of statistical properties of the tools we use.

Setting up a Performance Management Process

Setting up a Performance Management Process

Fletcher (2008) suggests that performance appraisals are used for:

- Properly evaluating performance

- Making reward decisions

- Improving performance by using appraisal as a spark and framework for learning

- Motivating staff (through the provision of feedback, helping distribute rewards fairly and setting appropriately motivating targets)

- Succession planning and identifying potential (including the planning of training and development)

- Promoting dialogues between managers and subordinates

- Formal assessment of poor performance

Setting up a Performance Management Process

According to Fletcher (2008) the following influence appraisal effectiveness:

- The employee's perception of the assessment as fair
- The quality of the employee's existing relationship with the person / persons doing the appraising
- The impact that the appraisal has on employee reward and their own wellbeing

Setting up a Performance Management Process

Measurement

In reviews and appraisals (but also in recruitment and in other instances where we are measuring performance), we need to consider three aspects and characteristics, relating to what we are doing:

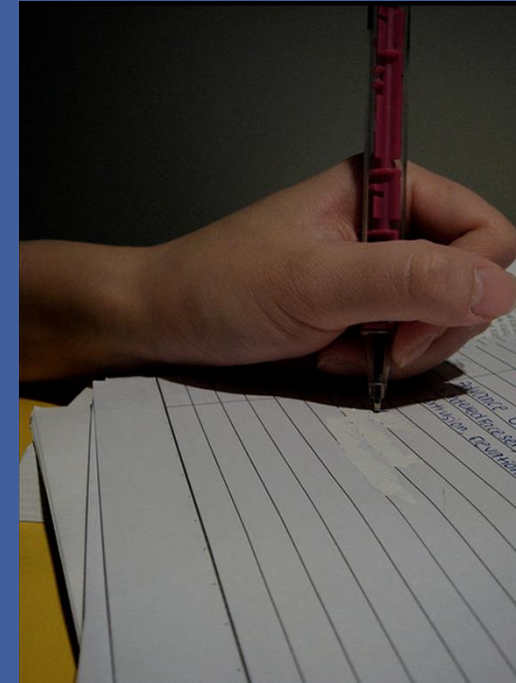- Reliability

- Validity

- Fairness

Setting up a Performance Management Process

Reliability

Reliability relates to consistency of scoring and the extent to which scores are free from measurement error.

Appraisal procedures should be consistent from time to time and from assessor to assessor.

Setting up a Performance Management Process

Validity

Validity relates to the extent to which a test measures what it purports to measure.

Appraisal procedures should capture the target area of review (work contribution), including evaluation of the full period under review.

Setting up a Performance Management Process

Fairness

- Fairness relates to the extent to which a test discriminates or in-adversely impacts negatively on different sub-groups.

- Fairness is a critical element in relation to the performance management process.

Setting up a Performance Management Process

- Persons responsible for the performance management process need to be in a position in which they are evaluating a given person and role in an appropriate manner, which reflects the competencies tied to the role.

- Performance management for the sake of it is:
  - Costly
  - Inefficient
  - Counter-productive.

- As a result, PMS need to be preceded by a role and person specification, through a job analysis.

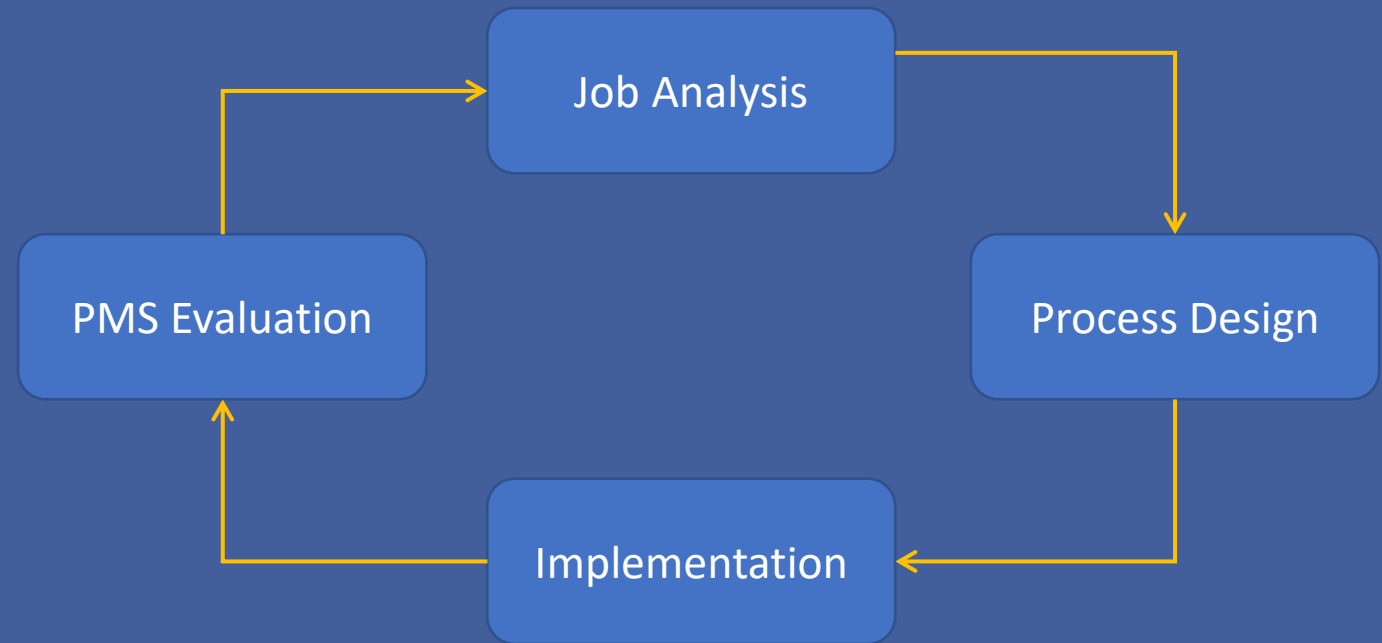# Setting up a Performance Management Process

Why is Job Analysis important?

- Allows the review of relevant skills
- Allows the identification of development needs in the current role
- Allows the identification of development needs for future roles
- Can allow the company to identify training needs
- Allows the company understand who should be enrolled in training
- Will provide information for employee development

Setting up a Performance Management Process

- The PMS process can be seen as cyclical in nature, starting with a job analysis, the design of the appraisal process, implementation, and eventually the evaluation of the process.

```
        ┌──────────────┐
        │ Job Analysis │ ──┐
   ┌──→ └──────────────┘   │
   │                       ↓
┌────────────────┐    ┌────────────────┐
│ PMS Evaluation │    │ Process Design │
└────────────────┘    └────────────────┘
   ↑                       │
   │    ┌────────────────┐ ↓
   └─── │ Implementation │←┘
        └────────────────┘
```

Setting up a Performance Management Process

Job Analysis entails Data Collection. Methods for this include:

- Filming
- Reviewing of written materials
- Observation
- Questionnaires
- Diaries
- Interviews
- Participation
- Focus Groups

Setting up a Performance Management Process

Critical Incident Technique (CIT)

- Originally established by Flanagan (1954) to determine the requirements for flying airplanes in the military.

- Subject Matter Experts are interviewed and particularly effective or ineffective outcomes on the job are reviewed.

- CIT has five main steps:

- Determination of aims and objectives of the job

- Planning and specification for the collection of critical incidents

- Collection of incidents from SMEs or others

- Analysis of incidents and development of categories

- Interpretation of findings linked to effective and ineffective performance
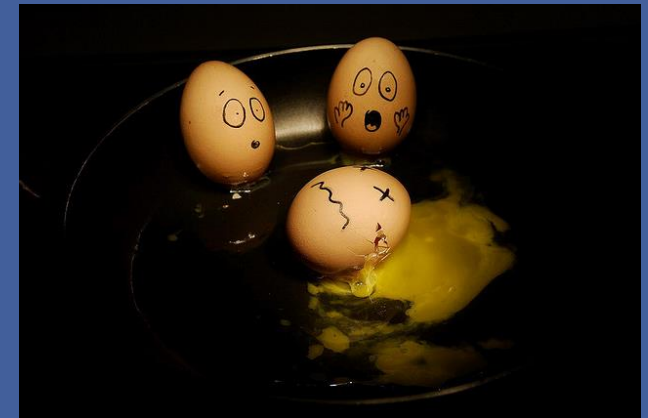
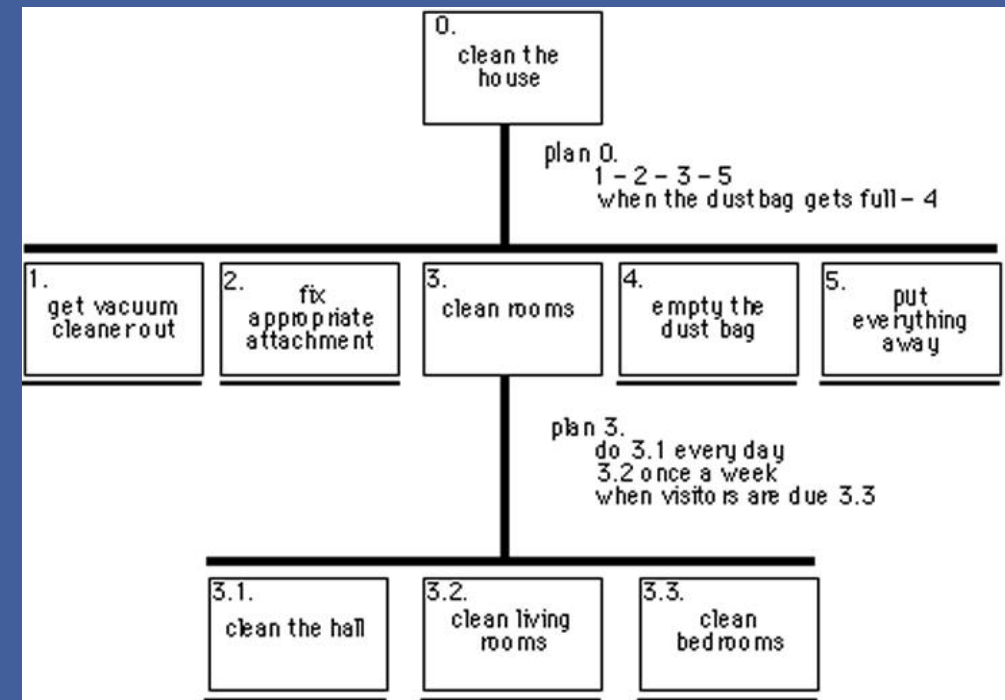# Setting up a Performance Management Process

The 7-Point Plan

- Was developed by Rodger (1972) and aims at presenting questions related to the job under 7 different categories:

- Physique: The physical demands placed in the job

- Attainments: Qualifications required to fulfil the role

- General Intelligence: General correlate with most aspects of performance

- Special Aptitudes: For example, an outgoing personality in sales

- Interests: For example, an interest in cars for a Car Sales role

- Dispositions: Assessing general personality characteristics

- Circumstances: Certain job may call for specific requirements (ex. Chinese chef for a Chinese restaurant
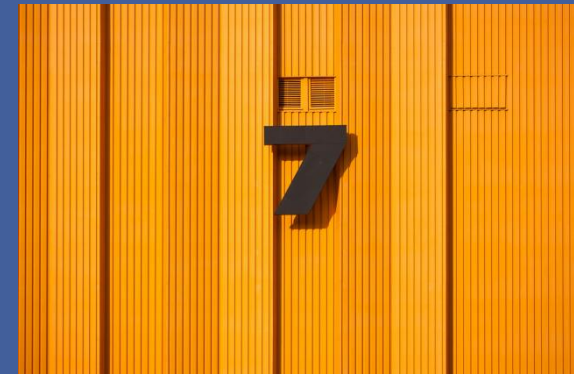
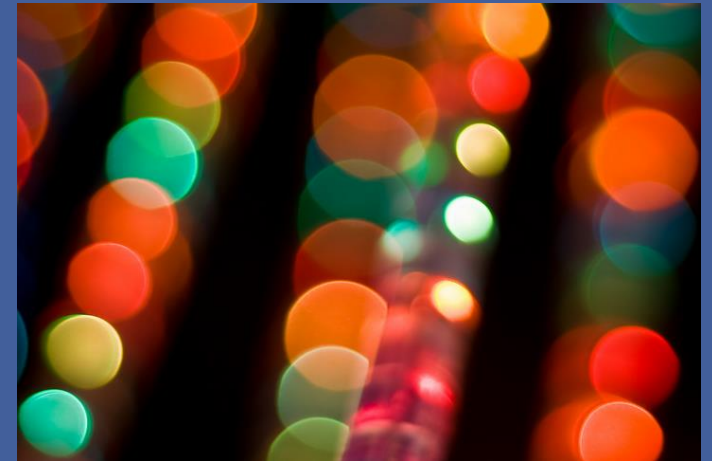# Setting up a Performance Management Process

Hierarchical Task Analysis

- In this case one needs to determine what skills and abilities are required to perform this task (knowledge, skills and attitudes).

- Tasks can be analysed and broken down in sub-components through Hierarchical Task Analysis.
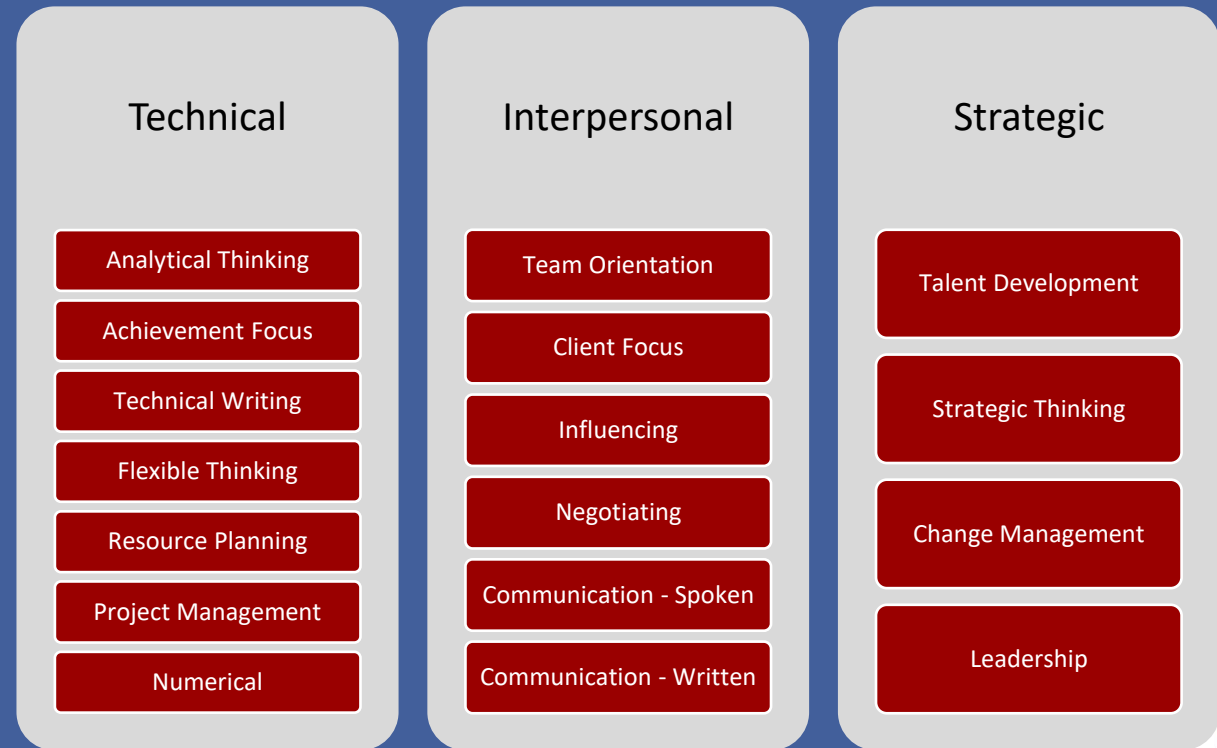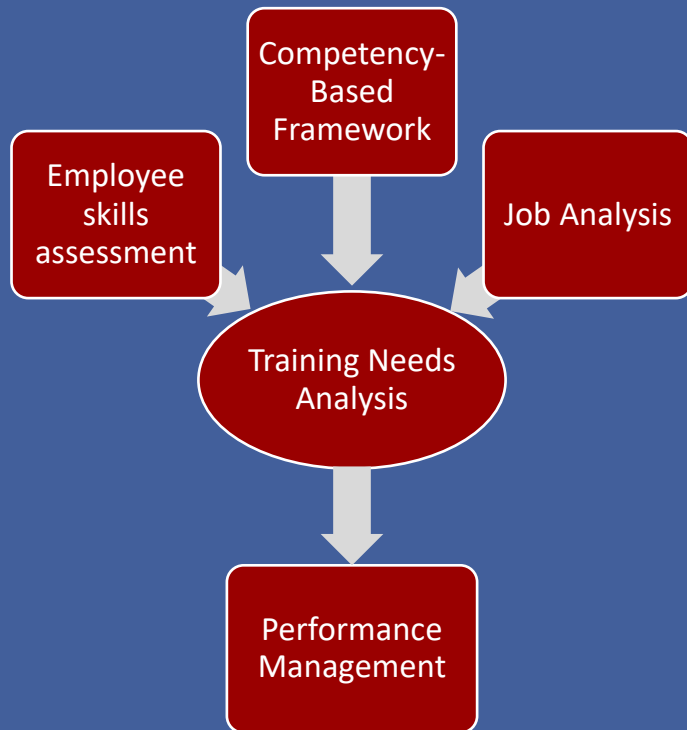
Setting up a Performance Management Process

Competency Modeling

- Is generally a multi-source method for collecting data, which places emphasis on the review of behavioural indicators.

- In this method positive indicators and negative indicators are developed in the job analysis.

- These allow for the development of rating or scoring scales which can then be used to identify questions or tools for the appraisal process.

Setting up a Performance Management Process

- A case study using competency modelling

Technical	Interpersonal	Strategic
Analytical Thinking	Team Orientation	Talent Development
Achievement Focus	Client Focus	Strategic Thinking
Technical Writing	Influencing	Change Management
Flexible Thinking	Negotiating	Leadership
Resource Planning	Communication - Spoken	
Project Management	Communication - Written	
Numerical		

Flowchart:
- Employee skills assessment → Training Needs Analysis
- Competency-Based Framework → Training Needs Analysis
- Job Analysis → Training Needs Analysis
- Training Needs Analysis → Performance Management

Setting up a Performance Management Process

- Analysis at Person Level

- In competency modelling, you would first assess roles, and then use the framework to assess individuals and identify any gaps.

- Analysis at person level should be an on-going task, and may be incorporated in reviews/appraisals.
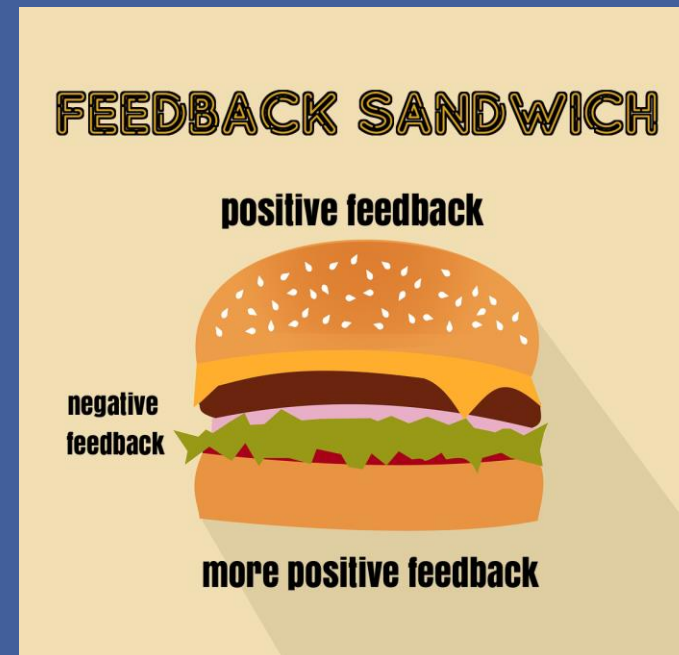
Setting up a Performance Management Process

Providing Feedback – Sandwich Technique

• The Feedback Sandwich method is when you open your feedback with positive comments, followed by the main message, and then some final positive comments. It's a longstanding way of communicating constructive criticism.

FEEDBACK SANDWICH

positive feedback

negative feedback

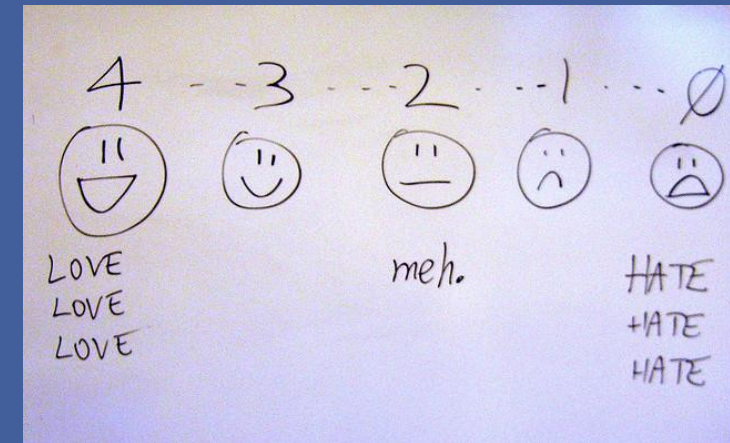more positive feedback

Setting up a Performance Management Process

Setting up a Performance Management Process

Evaluating the process

- Kirkpatrick suggested that PMS programmes should be evaluated across four different criteria, namely:

1.Reaction: Collecting information relating to the participants' *reactions* to the PMS process.

Setting up a Performance Management Process

Evaluating the process

2. Learning: Relates to the development that results as a result of the performance dialogue. This should be captured through the ongoing competency review and assessment.

Setting up a Performance Management Process

Evaluating the process

3. Behaviour: checks whether appraisees demonstrate behavioural change after participating in the performance management process.

Setting up a Performance Management Process

Evaluating the process

4. Results – the extent to which PMS produces results in the workplace and is often measured through financial impact, including through reviews of turnover, etc.

- It is important that the appropriate criteria are used to assess the programme; there is no one right formula for all programmes.

Performance Management - Biases in Assessment

Biases in Assessment

- Researchers have found that when judging others a number of biases can come into play including the following:

  - halo and horns effects
  - primacy and recency effects
  - stereotypes
  - attribution biases
  - similarity effect
  - contact history

Biases in Assessment

Halo-Horns

- In the halo-horns effect, an assessor makes a favourable (halo) or unfavourable (horns) general evaluation based upon an initial judgement or prior information.

- When doing this, assessor tends to focus on information that confirms this impression.

Biases in Assessment

Primacy-Recency

- Information presented early or late in a sequence tends to dominate our memory and eventually our judgement.

- We have a tendency in appraisals to 'forget' about contributions that happened during the early or mid-part of the year. Documentation helps avoid this bias.

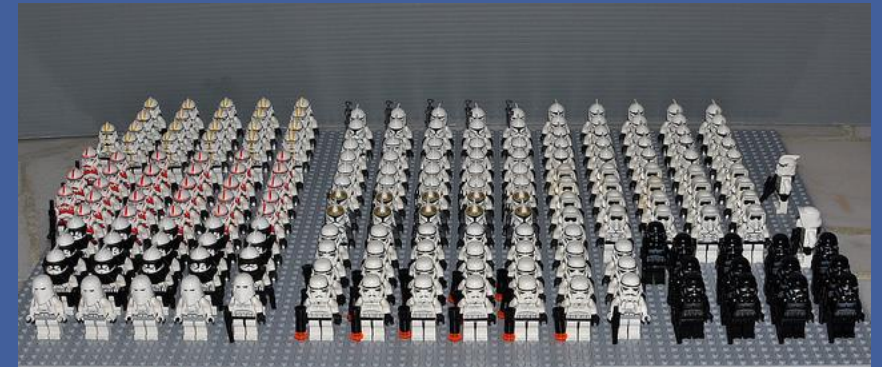# Biases in Assessment

Stereotypes

- Stereotyping derives from our tendency to simplify the characteristics of groups and attribute them to all group members.

- When carrying out evaluations it is important that we recognise that stereotypes may come in play.

Biases in Assessment

Similarity Effect

- We are attracted to people whom we perceive to be like ourselves.

- This can have implications in selection as well as in appraisals and can lead to 'organisational cloning'.

Biases in Assessment

Contact History

- The longer an assessor has known an assessee, the more likely the assessor is to rely on automatic processing.

- This can lead to similar feedback being provided year in-year out in appraisals.

**Performance Management –
Fallacies in Attribution**

Fallacies in Attribution

Attribution Biases

- Fundamental attribution error: we are more likely to see our own behaviour as being caused by situational characteristics rather than stable personality traits.

- This is not the case for persons we are observing.

Fallacies in Attribution

Attribution Biases

- According to the self-serving bias, there is a tendency for an individual to attribute personal responsibility for successes, but to avoid blame for failures.

- This bias operates in order to protect the individual, by making attributions to external causes so that self-esteem is not threatened.

Fallacies in Attribution

Severity Bias

- Severity bias describes the influence of the consequences of actions on causal attributions and perceptions of responsibility.

- Greater responsibility is assigned to actions where the consequences are serious, than when the consequences are less serious, even if the antecedents of the actions are identical.

Fallacies in Attribution

Defensive Attribution

- The tendency to make external causal attributions is greater when individuals perceive that a victim is personally and situationally similar to themselves – this is known as defensive attribution.

- In contrast to severity bias, where victims are seen as more blameworthy for severe consequences, defensive attribution will result in less responsibility being attributed to the victim, if we could imagine ourselves in the same situation due to our similiarity to the victim.

Fallacies in Attribution

- Reviews and appraisals can be improved through:

1. Understanding of employee dynamics
2. Standardisation
3. Focus on job-related issues
4. Evidence-based assessments
5. Trained assessors
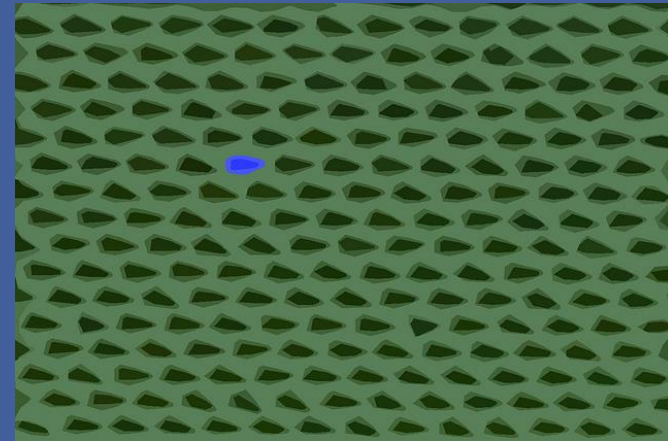
Driving Performance – Some Studies

Driving Performance – Some Studies

Rosenthal & Jacobson – Pygmalion

- Rosenthal and Jacobson where interested in exploring whether expectations placed upon students can exert an influence on performance.
- They carried out a study in 1968 in a classroom set-up.
- The researchers screened students on a test meant to reveal 'potential' and their teachers were communicated the results.
- In truth, the allocations to the high-potential group were made on a random basis.
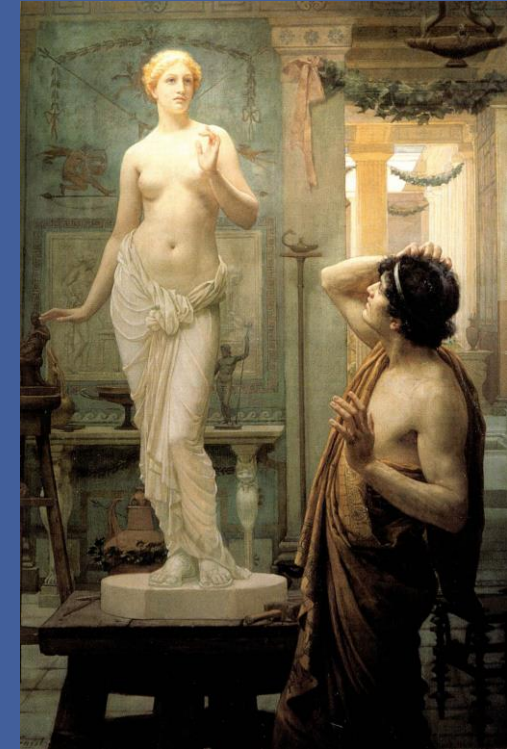
Driving Performance – Some Studies

Rosenthal & Jacobson – Pygmalion

- The following video presents an overview of the study and ensuing results.
- The implications for the study are diverse within the organisational context.

powered by MinuteVideos.com

Driving Performance – Some Studies

Rosenthal & Jacobson – Pygmalion

- High manager expectations may influence performance (and vice versa).
- Social factors play a role beyond personality factors, qualifications and experience.
- The findings have been generalised to the occupational context.

Driving Performance – Some Studies

Langer & Rodin – creating meaning

- In a seminal study in geriatrics in the late 1970s, Langer and Rodin showed how creating purpose and meaning can extend a person's life at a nursing home.

- Residents who were given a plant to take care of, felt happier and lived longer than a control group who were given a plant and told the nurse would take care of it.

Driving Performance – Some Studies

Langer & Rodin – creating meaning

- Having meaning and purpose is a powerful motivator and a key contributor to employee engagement, contribution, and reduces turnover.
- It is possibly one of the most under-appreciated tools for motivating and retaining employees.

Driving Performance – Some Studies

The Hawthorne Experiments

- In the Hawthorne studies, Elton Mayo and Fritz Roethlisberger sought to study the effect of environmental factors on productivity at the Hawthorne Western Electric Sites.

- They manipulated dependent variables like lighting and other environmental factors.

Driving Performance – Some Studies

The Hawthorne Experiments

- The results?
- Irrespective of what the changes were, productivity increased.
- Employees participating in the study were appreciating the attention received, and the human factor overseeded changes in environmental factors.

Driving Performance – Some Studies

The Hawthorne Experiments

- The Hawthorne studies as well as the Rosenthal experiments demonstrate how attention and special attention (or otherwise) may lead to special outcomes, not simply as a result of the participants behaviour.

- We should be wary about the influence but also look at the possibility of setting positive mechanisms in place for desired outcomes.
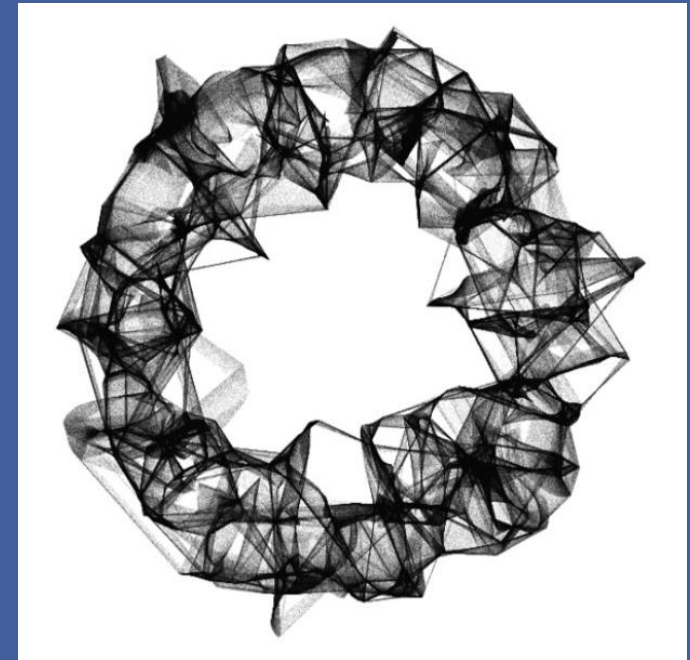
The Role of Leadership in Driving Performance

The Role of Leadership in Driving Performance

- Transactional and Transformational Leadership

- Building on the trait approach, some researchers sought to differentiate between transactional leadership and transformational leadership.

- Significant field in this dichotomy were carried out by James McGregor Burns and Bernard Bass.

The Role of Leadership in Driving Performance

- Transactional and Transformational Leadership

- Transactional leadership is also known as managerial leadership, focuses on supervision, organization, and performance; transactional leadership is a style of leadership in which leaders promote compliance by followers through both rewards and punishments.

The Role of Leadership in Driving Performance

- Transactional and Transformational Leadership

- **Transformational leadership** is a style of leadership where a leader works with subordinates to identify needed change, creating a vision to guide the change through inspiration, and executing the change in tandem with committed members of a group.

The Role of Leadership in Driving Performance

The Role of Leadership in Driving Performance

- Transactional and Transformational Leadership

- Transformational leaders look into:

- Emphasizing intrinsic motivation and positive development of followers
- Raising awareness of moral standards
- Highlighting important priorities
- Fostering higher moral maturity in followers
- Creating an ethical climate (share values, high ethical standards)

The Role of Leadership in Driving Performance

- Transactional and Transformational Leadership

- Transformational leaders look into:

- Promoting cooperation and harmony
- Using authentic, consistent means
- Using persuasive appeals based on reason
- Providing individual coaching and mentoring for followers
- Appealing to the ideals of followers
- Allowing freedom of choice for followers

The Role of Leadership in Driving Performance

- Lewin's Styles of Leadership

- In 1939 Kurt Lewin and his colleagues identified three styles of leadership and decision making.

- The styles of leadership were mainly identified through the qualitative review of studies undertaken and the review of secondary data.

The Role of Leadership in Driving Performance

- Lewin's Styles of Leadership

- **Autocratic Leadership** – make decisions themselves.

- Once a decision is taken this is implemented and the expectation is that this will be followed and respected.

- Obedience characterises the followers of the leader.

The Role of Leadership in Driving Performance

- Lewin's Styles of Leadership

- **Democratic Leadership** – make decisions based on consensus.

- The democratic leader contributes actively to the decision making process but also involves others in the process.

- Still maintain responsibility for decision.

The Role of Leadership in Driving Performance

- Lewin's Styles of Leadership

- **Laissez-Faire Leadership** – leave decision making in the hands of the followers.

- Show limited involvement in decision making.

- The approach can work if employees can work in a self-directed manner.

The Role of Leadership in Driving Performance

- The Leadership/Managerial Grid

- At around the same time, the Universities of Ohio and Michigan in the US found themselves carrying out research and generating publications that were similar to each other.

- The two schools presented an approach to the review of leadership that considered task (goal) and process (people).
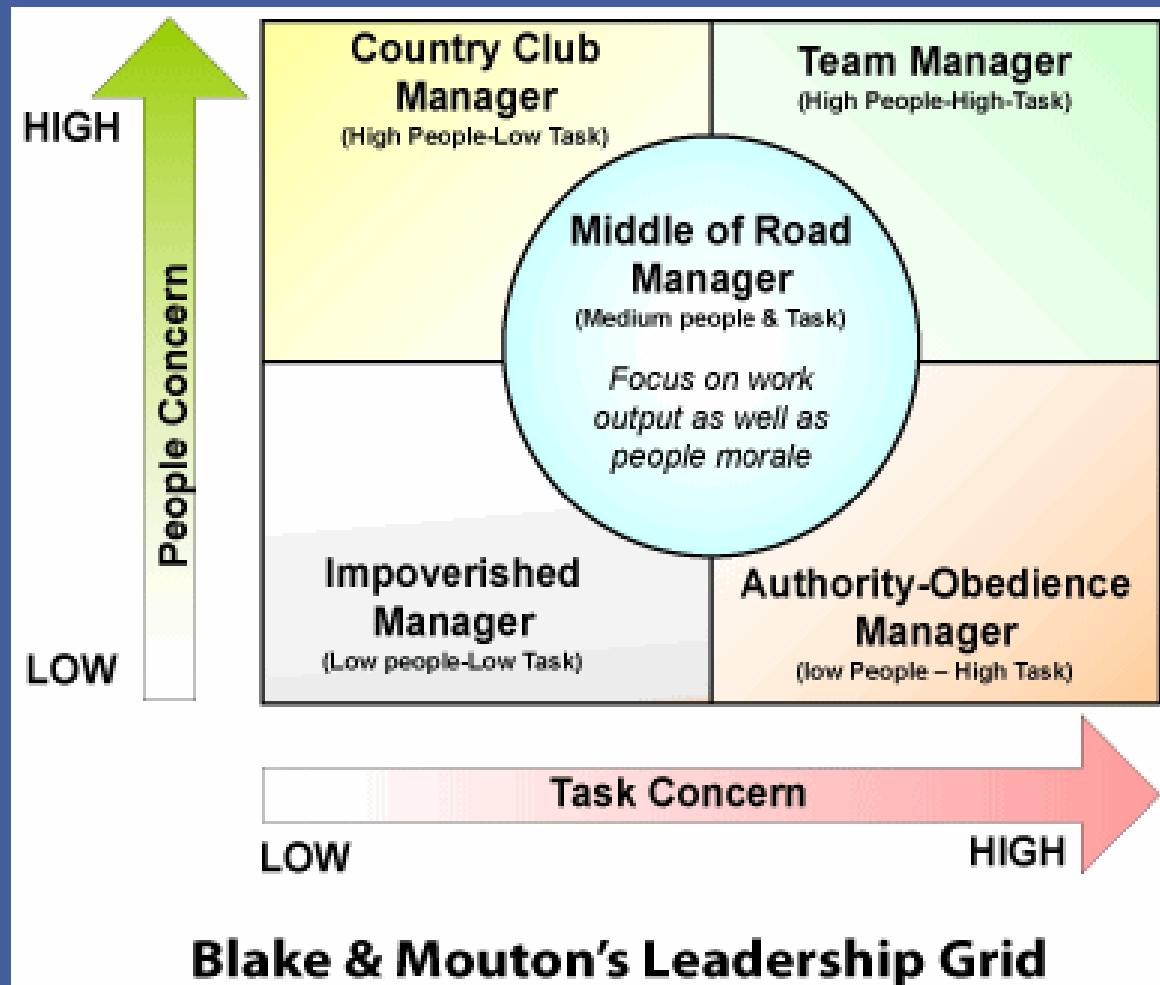
The Role of Leadership in Driving Performance

- The Leadership/Managerial Grid

- According to the Leadership Grid approach, leaders can score high or low on their consideration for task or process, thereby giving rise to a four sector grid which can be used to differentiate the leadership approach.

- A balanced, middle approach was also noted.

The Role of Leadership in Driving Performance

Blake & Mouton's Leadership Grid

The Role of Leadership in Driving Performance

- The Leadership/Managerial Grid

- Criticisms
  - While important, task and process are not the only characteristics relevant for leaders.
  - The approach fails to acknowledge situational factors in the process.

The Role of Leadership in Driving Performance

- Situational Leadership

- Situational leadership theories argue that there is no one correct approach to leadership but they see this as being contingent on the situation.

- Different theorists have contributed to this approach. One of the more comprehensive expositions has been that of Vroom and Jago.
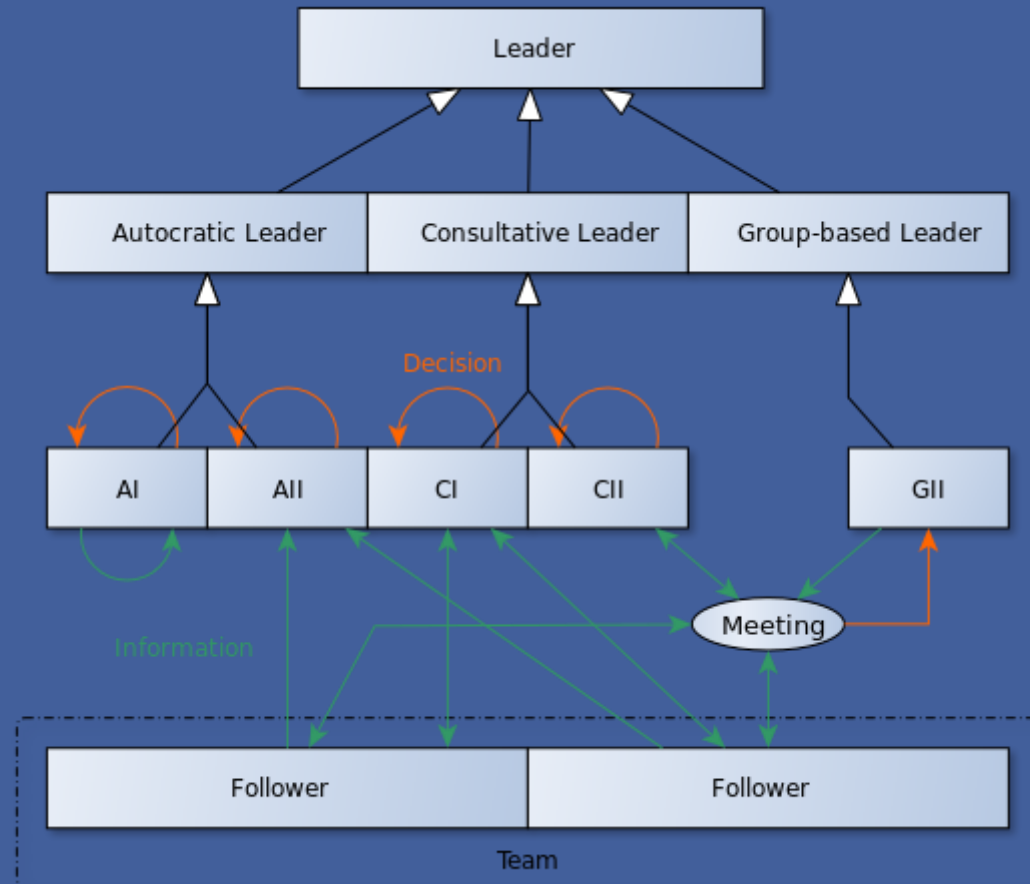
The Role of Leadership in Driving Performance

- Situational Leadership

- Situational leadership theories try to determine which is the best approach given a specific set of circumstances.

- It is a flowchart type of approach that tries to incorporate different variables.

The Role of Leadership in Driving Performance

The Role of Leadership in Driving Performance

- Situational Leadership

- According to Vroom and Jago the best leadership approach in a given situation can be determined by answering seven questions, namely:
  1. *Is there a quality requirement? Is the nature of the solution critical? Are there technical or rational grounds for selecting among possible solutions?*
  2. *Do I have sufficient information to make a high quality decision?*
  3. *Is the problem structured? Are the alternative courses of action and methods for their evaluation known?*

The Role of Leadership in Driving Performance

- Situational Leadership

- According to Vroom and Jago the best leadership approach in a given situation can be determined by answering seven questions, namely:
    4. *Is acceptance of the decision by subordinates critical to its implementation?*
    5. *If I were to make the decision by myself, is it reasonably certain that it would be accepted by my subordinates?*
    6. *Do subordinates share the organizational goals to be obtained in solving this problem?*
    7. *Is conflict among subordinates likely in obtaining the preferred solution?*

The Role of Leadership in Driving Performance

- Leader-Member Exchange (LMX) Theory

- LMX describes how leaders in groups maintain their position through a series of tacit exchange agreements with their members.

- According to LMX leaders have trusted relationships with an inner circle of 'lieutenants'.

The Role of Leadership in Driving Performance

- Leader-Member Exchange (LMX) Theory

- Within organisations, employees struggle to shift between out-groups and in-groups.

- According to LMX theory employees in the in-group work hard to maintain their status and relationship with the leader through commitment and expression of motivation.

www.21Academy.education

The Role of Leadership in Driving Performance

- Leader-Member Exchange (LMX) Theory

- Persons in the out-group tend to be happy 'to do their job'.

- LMX theory while apparently simple has been effective in contributing towards the understanding of employee turnover, motivation, engagement and other organisational behaviour characteristics.

thank you!