



CUTTINGS

Number 46 March 2003

Compiled and edited by Geof Cox

PERFORMANCE MANAGEMENT IN CRISIS?

You would have thought that the tightening of the economy over the last couple of years would have focused organisations' attention on effective performance management. A survey conducted at the end of last year by MSA Interactive shows this is far from the reality. A 'wake up' call to everyone involved—HR and senior managers—to look carefully at their performance management process and overhaul it with some urgency.

Employees in the survey seem to feel that there could be some value in performance appraisals, but it is seen either as time consuming [19%], viewed with some suspicion [28%], or considered not to deliver [32%].

More worrying is the managers' response: a total of 82% of the statements about how manager's view performance appraisals were negative. Managers were seen to find the process

stressful, [18%], a waste of time [10%], and yet another task to add to their load [54%].

A clue to the malaise could be in that in 46% of cases, department managers see appraisals as an HR function and therefore it is difficult to get any ownership or commitment to use the process or follow through

In the perennial issue of methodology, a full 40% of respondents believe that their process is flawed by its subjectivity as it is based on manager opinion, while a further 15% had not thought about this aspect of the process and 14% did not believe it matters, the latter being yet another indication of the lack of 'buy-in' to the process by managers.

It is clear from the current and future business environment that performance management is here to stay, but to make it effective we must address the

bureaucracy and management attitude associated with more traditional performance appraisal processes that lead to superficial and highly subjective assessments.

Only part of the success of a performance management process comes from the system itself. The greater success comes from line managers using the process proactively to set meaningful, work related objectives and then coaching people on an on-going basis to achieve these objectives. Helping people to succeed not catching them fail. Matt Barrett, MD of Barclays Bank describes the need for staff to have a clear line of sight between their contribution and the success of the organisation. This is what performance management has to, and can, deliver.

Perspectives on Performance Appraisals, December 2002, MSA Interactive Ltd

The Seven Habits of Successful Job Satisfaction

Recent analysis has given us a list of seven factors crucial to job satisfaction – and they are not all to do with pay and benefits.

The first thing that matters is the sector of the economy you work in. The most satisfied workers in Britain work for non-profit organisations. Those in charities are especially happy and fulfilled. Self-employed people enjoy their jobs hugely because they like the independence – many are not in it for the cash; but for personal autonomy. Typically in Europe, public sector employees enjoy their jobs more than those in the private sector. But not in Britain where job satisfaction collapsed in the 1990s.

Second, your own nature and characteristics can have big effects on job satisfaction. Women enjoy their jobs the most, possibly because men are more difficult to please, or simply

because they are better workers. Age matters: satisfaction follows a U-shaped curve—it starts high, then people become dissatisfied, and after their 30s, the average person becomes steadily happier with his or her job.

Third, the nature of your workplace has a striking effect on whether you will be happy in your job. Employees in big, impersonal environments are more likely to be fed up.

Fourth, who controls the pace of work? Satisfaction is low in places where the boss controls the pace of work and is high where customers or colleagues control how fast the work is done. – we do not mind working hard for someone on the same level as ourselves; it is pressure from above in a hierarchy that upsets us.

Fifth, pay does make a difference, as one would expect, but relative pay not absolute pay. It seems people create a

mental picture of individuals like themselves, with their qualifications and experience, and they constantly compare, subconsciously, what they earn with the picture of what such a person should be paid.

Sixth, having qualifications that exceed those needed is associated with discontent.

Seventh, major cities and their surrounding areas have the lowest job satisfaction. This is partly because of the commuting, which we know has a bad effect on people's mental health.

So, what should you do if you want to be happy? *Work for a charity or become self-employed. Grow old. Work in a small office. Don't become overqualified. Find a place where the boss does not control the pace of work. Avoid London. And be a woman!*
The Quest for Job Satisfaction, The Times, February 2003

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Snippets

A collection of thought provokers and quotations

- ✂ "Problems with time cannot be resolved at the level at which they are experienced, for they are experienced at the level of being *in* time, and they can be solved only at the deeper and more real level of *being* time itself. That level means being totally true to oneself." *Peter Koestenbaum*
- ✂ "I don't try to dance better than anyone else. I only try to dance better than myself" *Michael Baryshnikov*
- ✂ "The best preparation for good work tomorrow is to do good work today" *Elbert Hubbard*
- ✂ "The measure of success is not whether you have a tough problem to deal with, but whether it is the same problem you had last year." *John Foster Dulles*
- ✂ "Unlike top management at Enron, exemplary leaders reward dissent. They encourage it. They understand that, whatever momentary discomfort they experience as a result of being told they might be wrong, it is more than offset by the fact that the information will help them make better decisions." *Warren Bennis*
- ✂ "Creative leaders find ways of stepping into the shoes of other people and asking, 'How would I feel and what would I want if I were this person?'" *Gay Hendricks and Kate Ludeman*
- ✂ "If you want to figure out your path in life, you can't have an end date on the exploration." *John Wood*
- ✂ "First, before you can become a leader you have to understand yourself," *Master Nan*.
- ✂ "Learning is suddenly understanding something you've understood all your life — but in a new way." *Doris Lessing*
- ✂ "Everyone is the architect of their own learning." *Appius Claudius*

Collaboration is the key to organisational change

It is some time since Peter Senge wrote his seminal book "The Fifth Discipline" and started the world talking about the learning organisation. Needless to say, Peter has not sat back on his royalties, and still contributes to our understanding of organisation change. In a recent interview he shared some of his latest thinking about what it takes for organisations to survive and thrive in the 21st century.

"What any individual organisation, whether a school or business, can do today to significantly break from the cultural mainstream is small. Each one operates as if it were tied with a rubber band. Even a group that innovates a great deal for a while eventually gets snapped back to the norm. Many extraordinary, innovative schools, for example, in which kids are engaged and teachers love their work, usually return to average within 5 to 10 years."

Why do organisations resist change? One reason, Senge explains, is that most of us erroneously believe that somebody – some senior leader or manager – must be controlling the organisation's systems, in which we ourselves feel overwhelmed. "From a systemic perspective, the reality is just the opposite. Most large institutions are so complex that no one person – no 'mover or shaker' in a position of authority – can bring about the needed change. Rather, large-scale transformation can only evolve when lots of people at all levels of an organisation start to do things differently."

Readers of these comments who have some understanding of the dynamics of Large Scale Interventions such as Future Search and Appreciative Inquiry will immediately recognise the connection here. It is by engaging large groups simultaneously in making creating and implementing the change will it happen. That means that we don't want a 'mover or shaker' to make the change themselves, rather a catalytic, facilitative leader or manager who trusts staff to make their own decisions and creates the environment for this to take place. That's a different leadership to that which usually hogs the media headlines.

Interview with Kali Saposnick in Leverage Points, Pegasus Communications

Learning from the best employers in Europe

A survey covering top performing companies across Europe identifies focus on a careful alignment of people, programmes and practices, with people the key strategic asset.

In the best employers:

- Employees are more inspired and engaged
- There is a greater explicit and shared culture with is performance oriented at an individual level
- There is a long term view on attracting and retaining talent
- High potential development is not at the expense of company-wide learning
- Promotion comes more from within
- There is a process that ensures all employees understand the collective goals and aligns individual contribution
- Compensation is used as a tool for differentiation
- There is much more success in achieving employees' desired work-life balance

Another 'wake-up' call on performance management. The best employers and the top performing companies in Europe have got the performance management equation right, and are reaping the benefits.

Learning from the best employers in Europe, Hewitt, Bacon & Woodrow, 2002

MORE INFORMATION

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