CUTTINGS...

NEW DIRECTIONS

Compiled and edited by Geof Cox

Welcome to this latest edition of Cuttings, and a special welcome to new readers.

In the last edition, there are a couple of articles that focus on creating an organisation culture of effective performance. In 'Creating a culture of FLOW' I report on some research on the basics of developing employee engagement at the workplace. In 'Time to ditch performance appraisals' a couple of new reports and surveys continue to criticise current performance management processes and highlight what is needed for effective performance management.

Finally, 'Recruitment and retention issues' reports on predictions of a long overdue increase in training and development spend to cope with the serious problems being experienced by employers in recruiting staff with the right skills.

Geof Cox

In this edition

Creating a culture of FLOW Some basics for creating employee engagement at the workplace.

Time to ditch the performance appraisal? Yet more damming surveys of current practice points to setting up a new system.

Recruitment and retention issues Reports suggest that recruitment is becoming more difficult and costly.

Public Course programme dates for 2015.

And **Snippets** to provoke your thinking and reflection.

Creating a Culture of FLOW

According to Deloitte's Global Human Capital Trends research, business leaders rating of employee engagement as an issue that is "urgent or important" is rising, moving from 78% in 2014 to 87% now. They are recognising that a disengaged, unhappy employee is the last person any of us want to ask to make suggestions or resolve problems at work.

But, although the recognition of employee engagement as an important business issue is growing, the statistics do not show a similar rise in actual engagement. Global surveys usually show only small percentage point movements in engagement, and regularly return figures of only about 30% of employees who are fully engaged. For instance, in 2014, Gallup's survey in the US had a national average of 31.5% of employees were actively engaged, with the service sector being even worse at only 28.2%.

There are a lot of different factors at play in engagement, but the core is to be engaged with the god they are doing. As Shane Green points out in a recent blog, "if one is not engaged and captivated by their work, the sole purpose for employment, the other factors of employee engagement will have little impact." The core is therefore:
- • To be present, in the moment, and focused while working on daily tasks

Snippets

A collection of thought provokers and quotations...

"I have learned from experience that the greater part of our happiness or misery depends on our dispositions and not on our circumstances."
Martha Washington

"Happiness is not something you postpone for the future; it is something you design for the present."
Jim Rohn

"You must trust and believe in people or life becomes impossible."
Anton Chekhov

"It is the sweet, simple things in life which are the real ones after all."
Laura Ingalls Wilder

- • To experience more intrinsic motivation; that is to be motivated by the purpose and content of work
- • To be able to apply skills to meet workplace challenges

Flow

On the last point, psychologist Mihaly Csikszentmihalyi explains that meeting high challenge with high skill results in experiencing ultimate engagement, which he calls flow. Flow experiences occur in the workplace when high challenge meets high skill, immediate feedback is provided, control for the task exists, and clear goals are identified.

One of the best ways to establish a culture of employee engagement is to provide conditions that make it possible for individuals to experience flow:

1. Provide clear goals and immediate feedback. Keep individuals involved with tasks by providing timely information about their performance. The best-case scenario is that this feedback will come from the activity itself, but managers should not rely on that medium alone, and structure regular (Gallup says at least every 7 days) positive feedback on performance.
2. Provide the appropriate challenge to match individual skill. When challenges are greater than skill level, individuals will experience states of worry, anxiety, or distress. When skill level exceeds challenge, individuals experience boredom, apathy and purposelessness. Managers need to take a dynamic view of matching as challenges and skill levels change.
3. Provide minimal distractions to allow focus. Individuals responding to tasks with clear goals and immediate feedback will become deeply involved with the activity.
4. Provide control of the task. Individuals in flow experience a strong sense of being in control of their own performance. Having autonomy increases the sense of purpose and intrinsic motivation.

Flow and engagement can only be delivered at the interface between the individual and the workplace. Engagement is not created by corporate statements or staff surveys - it is created by first line managers providing the culture that enables flow and engagement to take place. Managers who provide these key elements in the workplace will enable a culture of flow and promote employee engagement.

As Csikszentmihalyi explains, "The happiness that follows flow is of our own making and it leads to increasing complexity and growth."

USEFUL LINKS

Click here to go to the Shane Green blog which inspired this article.

New Directions is directly concerned with helping to create organisational performance and employee engagement. We offer workshops that deliver the skills needed by managers, and we work with organisations to help create the cultures and conditions for

"Nothing happens unless first we dream."

Carl Sandburg

"The proper use of our intelligence and knowledge is to effect changes from within to develop a good heart."

HH Dalai Lama

"The mind is like a parachute - it works only when it is open."

Unknown

"Quality begins on the inside... and then works its way out."

Bob Moawad

"If you fell down yesterday, stand up today."

H G Wells

"Besides the noble art of getting things done, there is the noble art of leaving things undone. The wisdom of life consists in the elimination of non-essentials."

Lin Yutang

"Perfection is not when there is no more to add, but no more to take away."

Antoine De Saint-Exupery

"If you start to think about the way you think, you are changing the way you think"

David Bohm

"Celebrate what you want to see more of."

Thomas J. Peters

"A little consideration, a little thought for others, makes all the difference."

A. A. Milne

"Life is short, but there is always time enough for courtesy."

Ralph Waldo Emerson

"When a deep injury is done to us, we never recover until we forgive."

success. For more information on our workshops and services **Click here** .

Alan Patonr

Time to ditch Performance Appraisal?

Albert Einstein defined insanity as 'doing the same thing over and over again and expecting different results'. He could be talking about performance management.

For years we have been setting annual goals and targets, doing mid-year reviews, and an annual performance appraisal. And for years, we have got the same result: A check box administrative duty that does not enhance performance at all.

Data from the CMI National Management Salary Survey 2015 shows that nearly a third (30%) of all managers ranked as underperforming were still handed a bonus, and almost half (45%) of senior managers and directors whose performance was rated as 'not meeting expectations' received a financial bonus. It is obviously easier to reward poor performance than to have a difficult conversation, but it doesn't improve performance.

And there is evidence that these performance management processes do positive harm, according to BlessingWhite's research:
- 50% say it fails to provide insights for improving personal performance
- 41% of individuals don't think it improves performance at all
- Only 43% of employees feel their organisation's approach accurately measures performance.
- 68% feel their organisation's approach negatively impacts engagement
- A mere 30% of individual contributors view their year-end review in a positive light

The only positive angle from the BlessingWhite research is that 46% of individual contributors who receive regular coaching view performance appraisal positively, The CMI report recognises the same connection: 'To improve performance, managers must be prepared to have honest conversations with their staff and provide regular feedback and coaching.' Coaching helps people to reach their targets and goals, so we help people to succeed rather than catch them fail. When regular feedback and coaching is implemented by managers, 70% say the performance management process "gives me insights for improving my performance"

Performance management should be about linking current outcomes to organisational goals. The goals should be strategic and add value, not just ones that are easy to write or achieve. Feedback and measurement is about rewarding achievement not effort (back in 2009 in Cuttings 83, I commented on organisations wrongly rewarding hard work even though there was performance failure). It should also be about current performance not rewarding past glories. It seems from the surveys that

Recruitment and Retention issues

In other findings from the CMI National Management Salary Survey 2015, the number of employers experiencing problems recruiting new staff has risen significantly, from 79% in the 2014 survey to 89% in 2015.

The main recruitment issues cited by organisations were difficulty in recruiting people with specific skills (75%), while 37% cite a poor quality of applicants which indicates a skills shortage emerging among UK managers.

The financial implications are also being felt with 23% of employers saying the high cost of recruitment is a problem for them, compared to just 7% in 2014. There are signs that companies are starting to address this skills shortage: another CMI report found that training and development is an area to see a rise in employer spending in 2015, with 45% reporting that budgets are set to increase.

This increase in training and development spend is long overdue. In times of change, such as we have been experiencing since the financial crisis started, new skills and behaviours are constantly required, yet these are the times when most employers tend to cut back their spend. The result is a skills shortage - new skills are not developed; managers with the skills needed are in constant demand and command a high price; the supply of skills becomes depleted so that companies find they can no longer find what they need on the open market. The only outcome is that employers must resort to investing in training and developing their own managers. We also know that if employers

the biggest and most significant indicator of whether someone will get a bonus this year is whether or not they got one last year. If it is to have any meaning, the feedback on performance should be frequent (as in the previous article Gallup suggests every seven days, not once or twice a year).

Einstein also said, "Strive not to be a success, but rather to be of value." So is it time to make performance management about achievement of value, not merely a check box administrative task. Is it time to ditch the performance appraisal approach and instigate one of continuous goal alignment, feedback and coaching?

USEFUL LINKS
Click here to access the BlessingWhite report on Performance Management

Click here to see the CMI survey information.

want to regain and retain the loyalty of their staff, they need to create a working environment where ongoing training and development programmes is central. By helping staff to develop and achieve their full potential, companies reap the rewards of their investment for many years. Failing to invest means they suffer a continuing downward cycle.

USEFUL LINKS
Click here to see the CMI survey information
Click here for more information about New Directions workshops and consultancy.

Public Courses 2015

New Directions runs a number of public training courses in association with partners. Click on the date to reserve a place or get more information direct from our partners' websites.

Human Competency and Capability Development
A 4 day course in strategic human resource management for the oil and gas sector.
Kuala Lumpur   20-23 October

International Oil & Gas Executive Development Programme
An intensive 5 day workshop in strategic management for the Oil and Gas industry.
Kuala Lumpur   26-30 October

Focus on Influence
A 3.5 day development course in interpersonal skills run in English or Dutch
Netherlands   5-8 October (in English)
Netherlands   19-22 October (in Dutch)

USEFUL LINKS
New Directions consultancy and training services

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Cuttings

Cuttings is free to subscribers, and has been published continuously for more than 20 years by *New Directions*, an international network of consultants and trainers who work together to learn, research, design and provide consulting and training in individual, management, and organisation development.

New Directions is also a partner in the European consulting organisation *Learning Consortium* who are the providers of one of the leading personal development courses in interpersonal skills, *Focus on Influence*.

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New Directions website
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