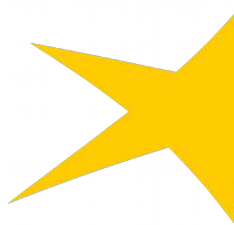


The
(Neuro) Psychology
Of
Performance Management

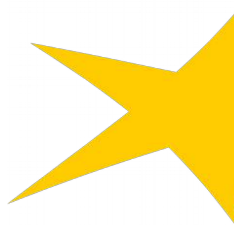
Peter Freeth



Performance management is the activity and set of processes that aim to maintain and improve employee performance in line with an organisation's objectives.

CIPD Factsheet

A Brief History



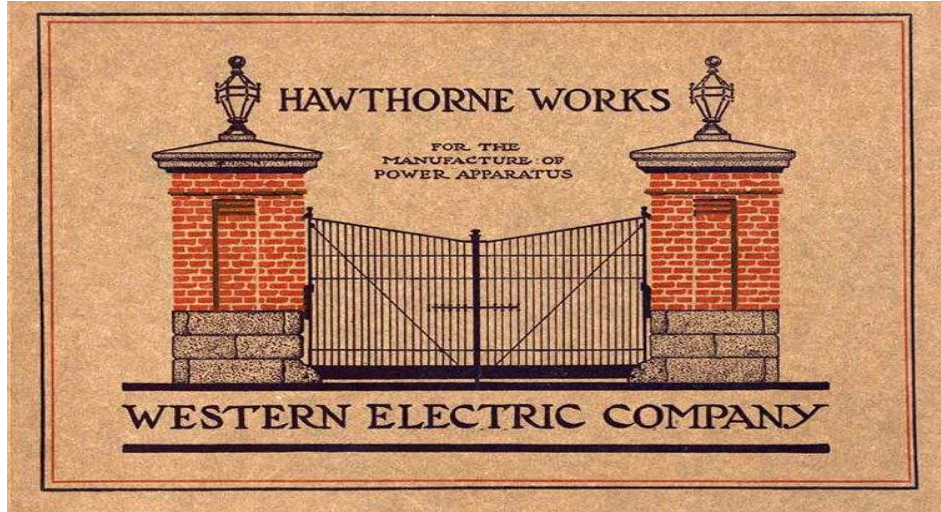
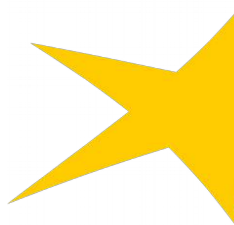
221-265AD

Emperors of the Wei Dynasty rated the performance of the official family members

The philosopher Sin Yu...

“The Imperial Rater of Nine Grades seldom rates men according to their merits but always according to his liking.”

A Brief History



Late 1920s

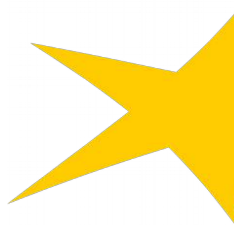
Western Electric's Hawthorne factory, Elton Mayo

Any change increased performance

"It was the fact that someone was actually concerned about their workplace"

'What gets measured gets done'

A Brief History



1950s

Behaviourism

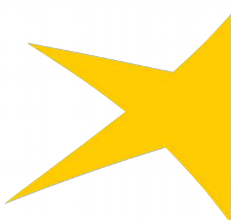
Benchmarking

Time and Motion

Esso created the 360° review

(T group)

A Brief History

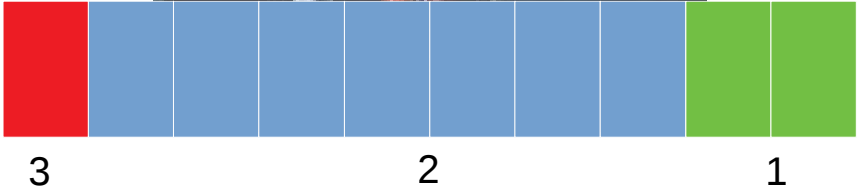
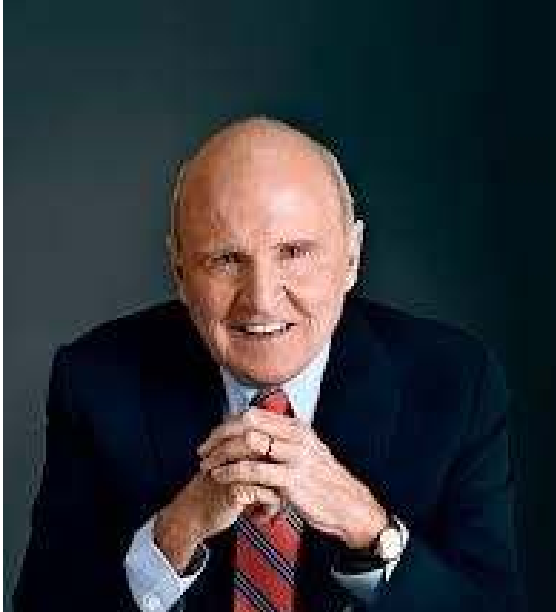


1980s

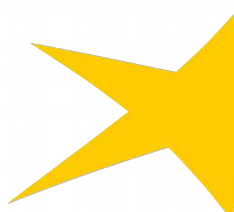
GE CEO Jack Welch

“rank-and-yank”

Managers evaluate all employees yearly



A Brief History



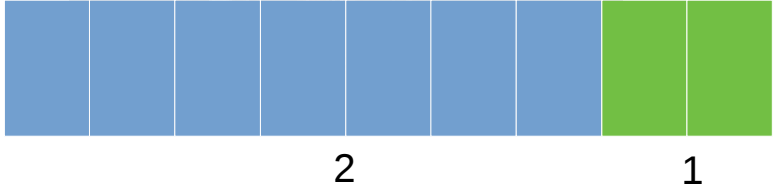
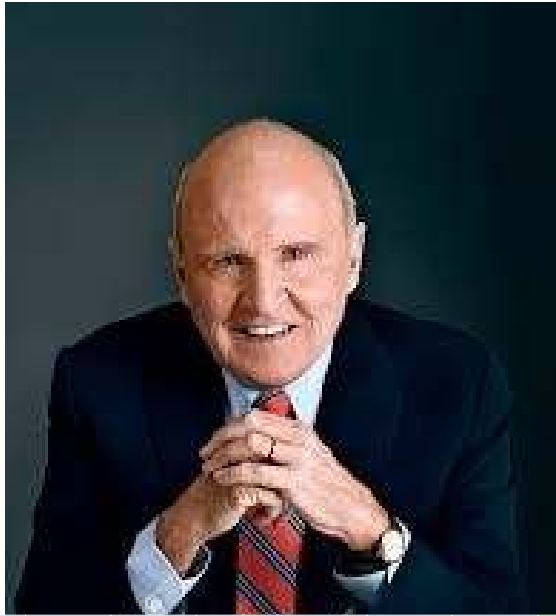
1980s

GE CEO Jack Welch

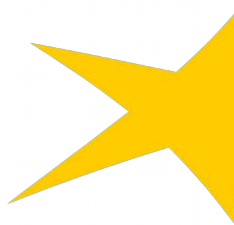
"rank-and-yank"

evaluate all

em



A Brief History



1980s

Appraisals

Performance Related Pay

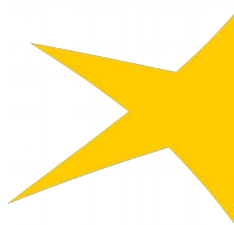
Piece work for all

How to evaluate what you can't count?

It's time for your
performance review.
I'll tell you my criteria
after you've failed.



A Brief History



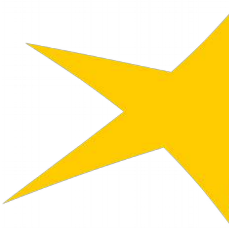
Today

Organisations moving away from the annual review

Ongoing performance management

Short term goal, review, reward

Psychology of Performance



Nothing has changed... really

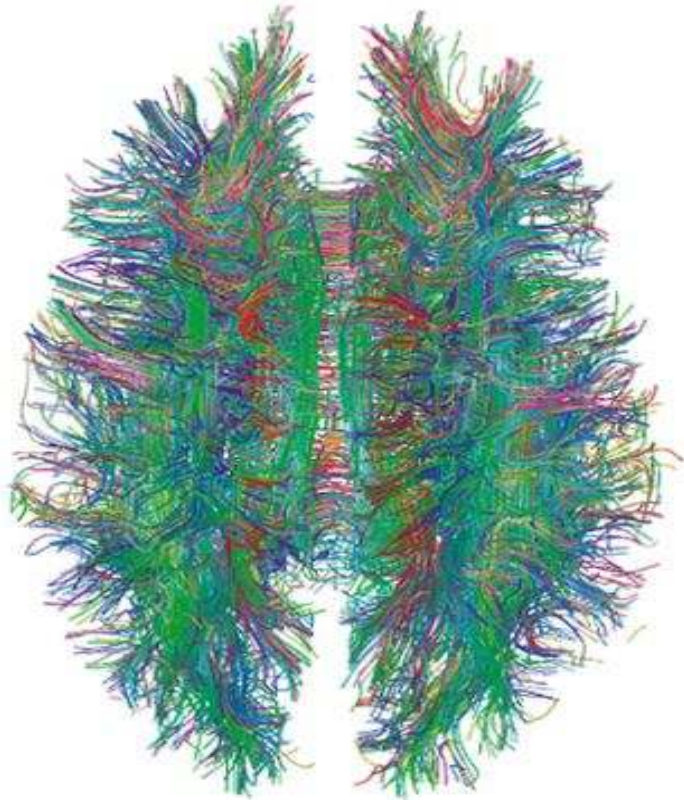
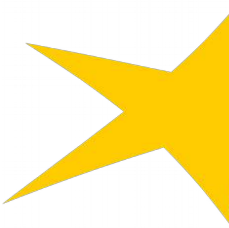
We are biased

We are goal oriented

We focus on reward

Our brains are connecting machines

Building Blocks



Genome

The instructions to build you

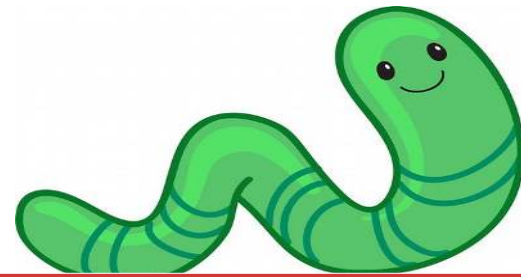
Phenome

How those instructions are physically interpreted

Connectome

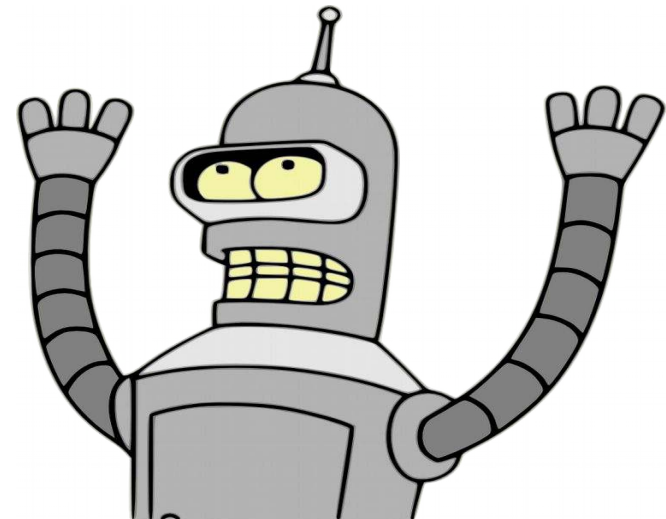
Your life's experiences built on that physical structure

Scientists have electronically inserted memories into the brains of mice.

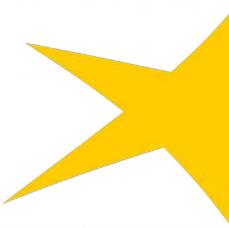


Scientists have put a worm's brain into a robot.

"The connectome of the worm was mapped and implemented as a software system and the behaviours emerge."



A Matter of Time



Conditioning

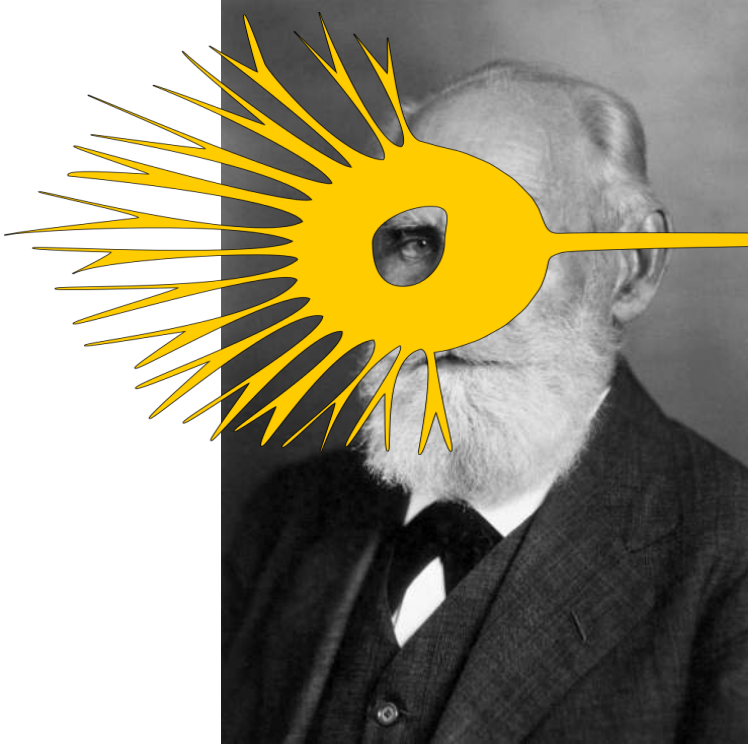
Stimulus – Response

Sensory inputs spontaneously
connect to motor outputs

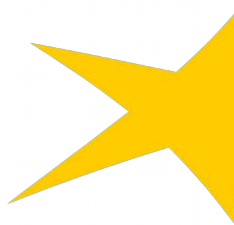
If the timing is right

Spike Timing Dependent Plasticity

1973 - 1998



Servo Control Mechanism



The brain and nervous system are a **servomechanism**

An autonomous, goal seeking system

Capable of great accuracy using crude components

Outcome

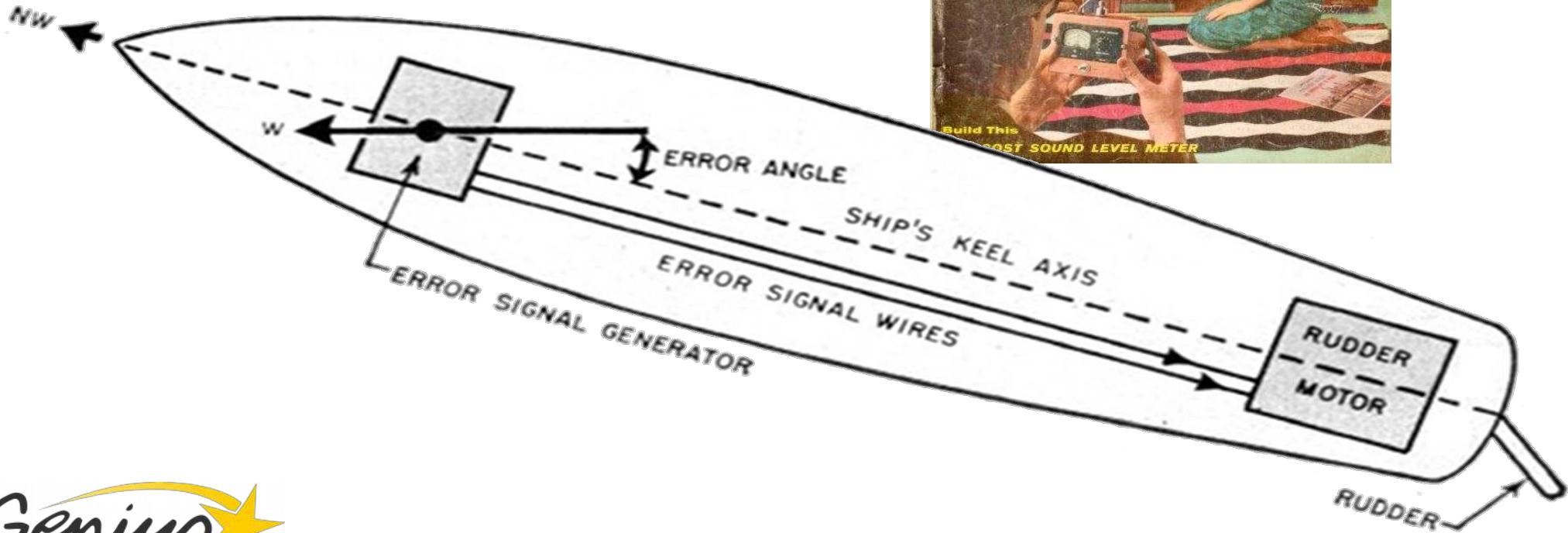
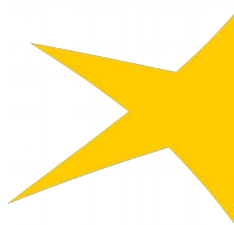
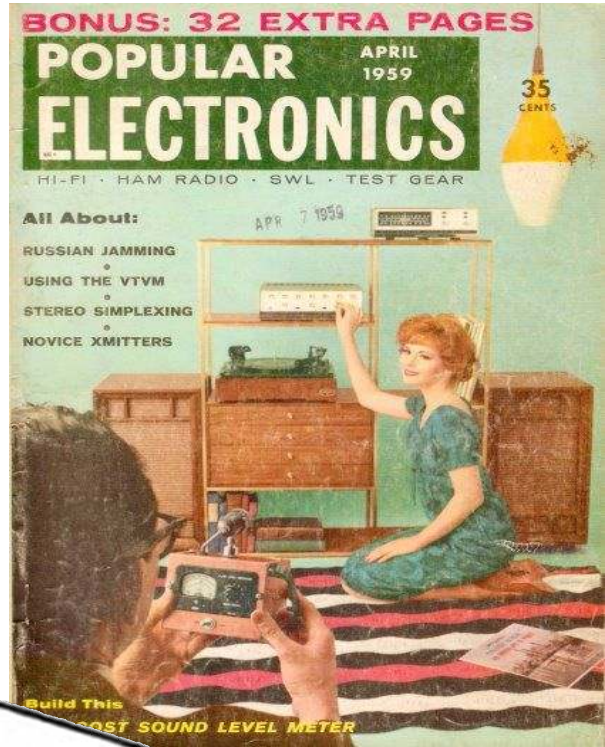
Feedback

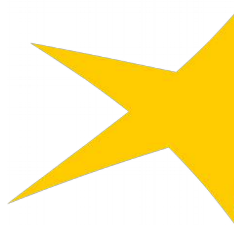
Motors

Are we there yet?



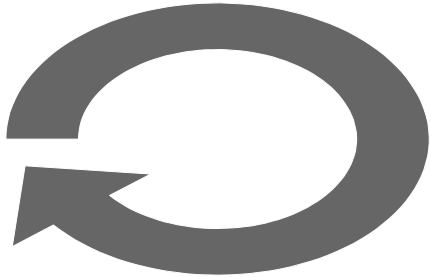






Decision

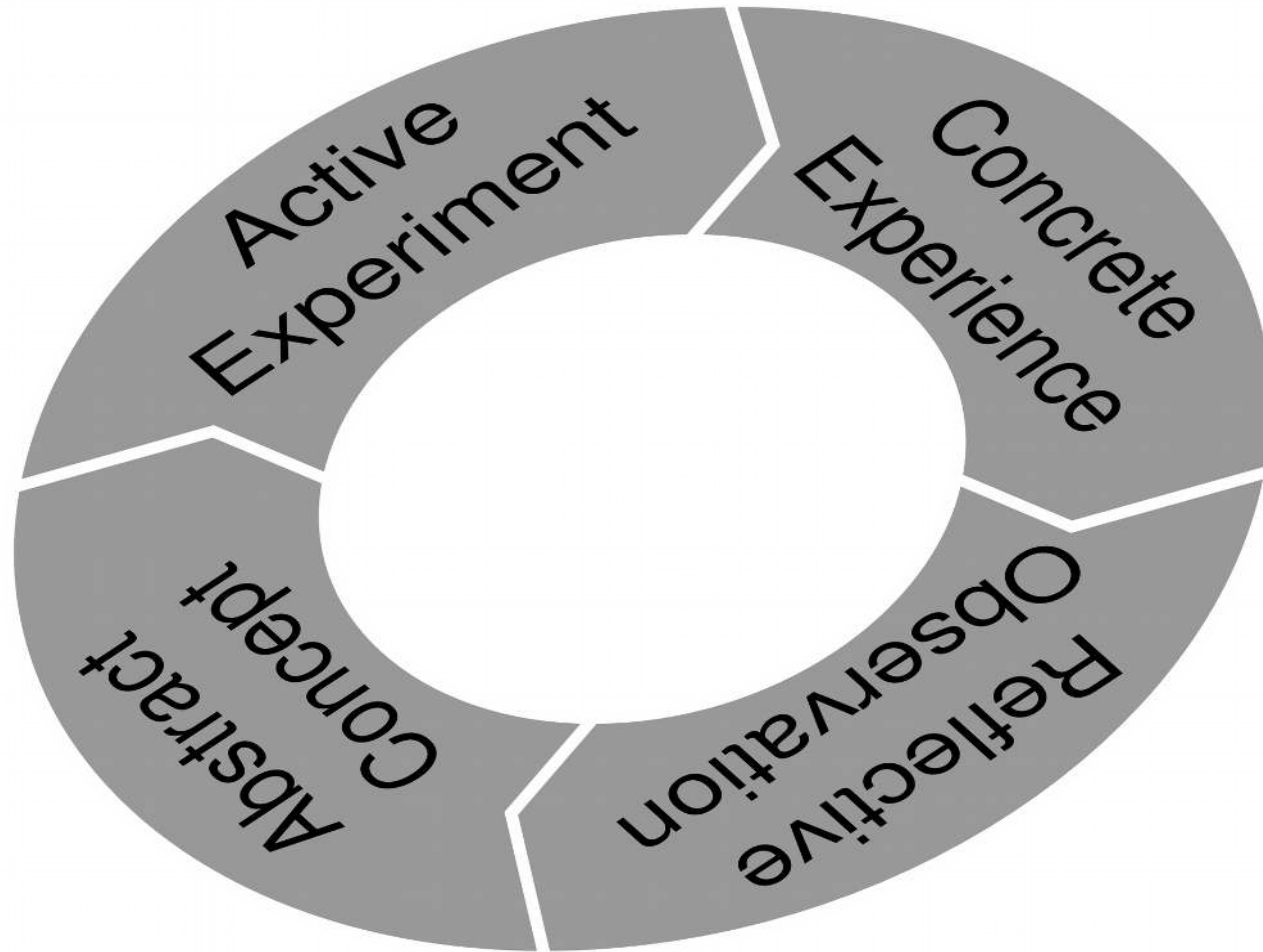
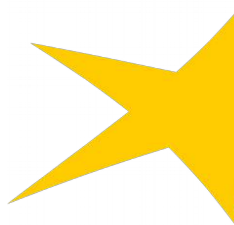
Perception



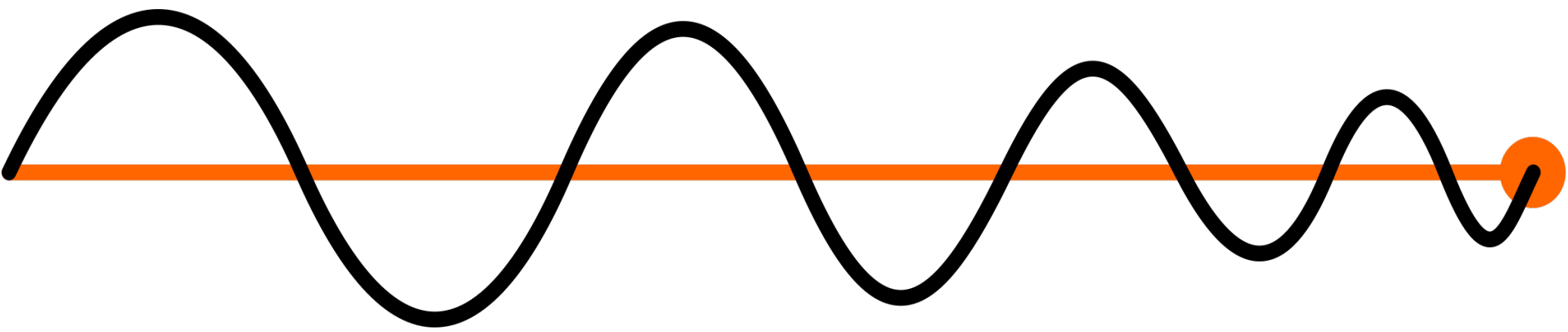
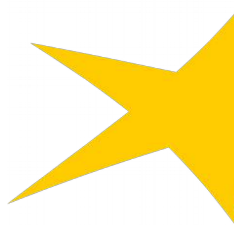
Action

Effect

Learning



Kolb, 1985



Genius 

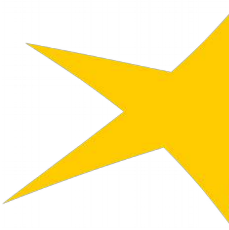


Boston Dynamics

Boston Dynamics



What's Important?



The 'quality' of feedback is not important

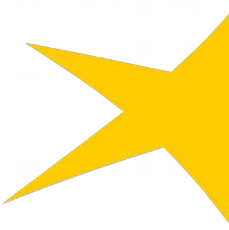
Warmer / Colder

The most critical factors are:

Time delay between decision and feedback

Autonomy of the decision maker

In Other Words



Don't tell people what to do

Tell them the deviation from course

They will figure out the right adjustment

The closer they get, the better their adjustments

They will become more accurate over time

Reward

People will do more of what you reward them for

Forms of reward:

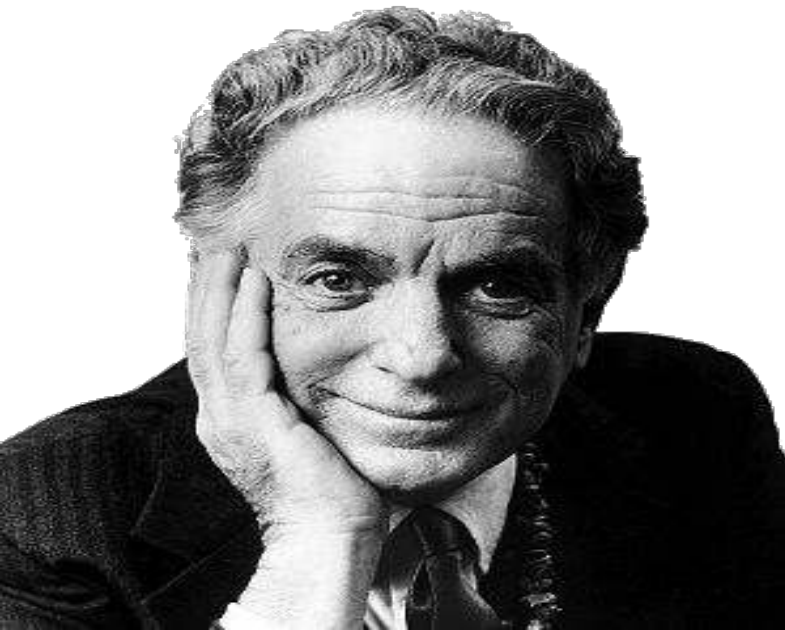


Reward is Ineffective

Extrinsic rewards

Lepper 1973

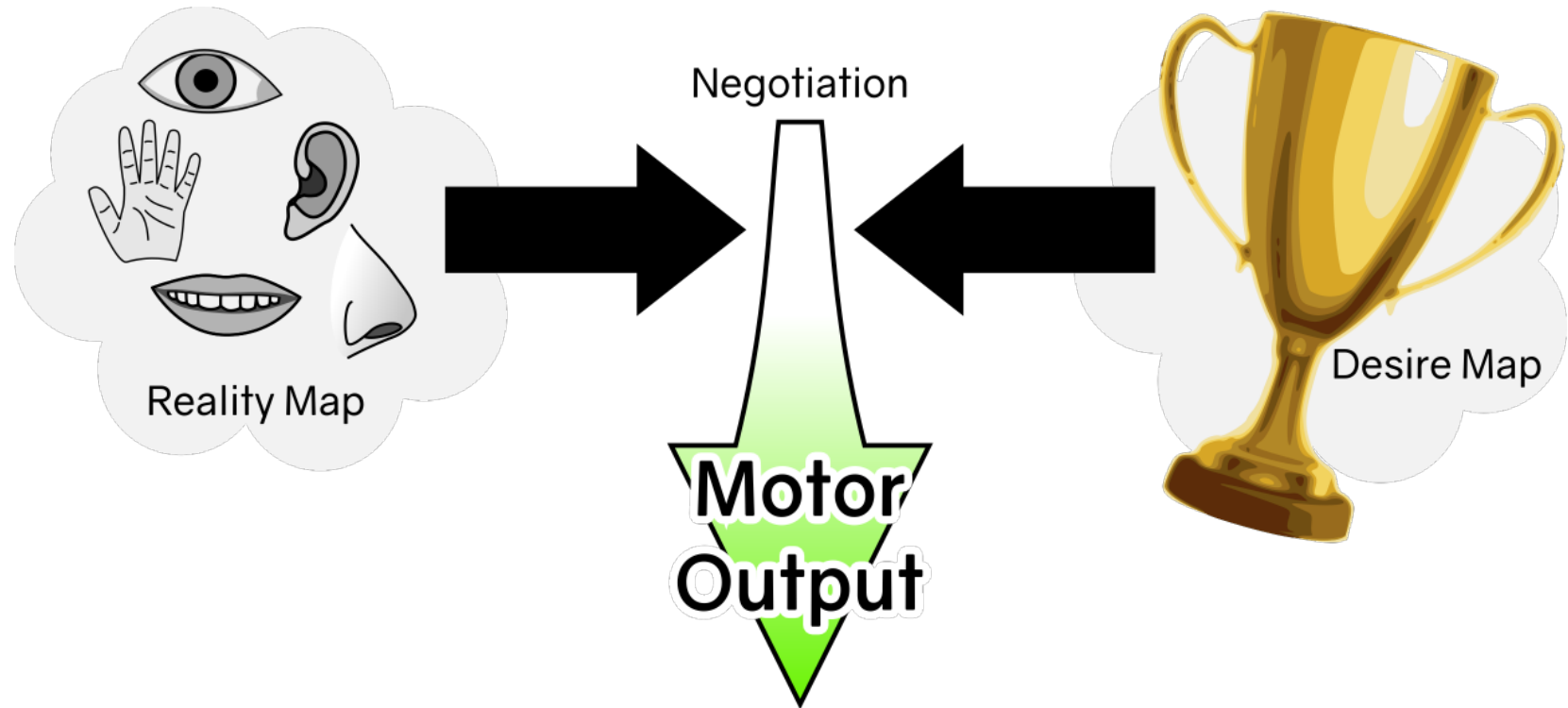
Herzberg 1987







The Mind is a Simulator



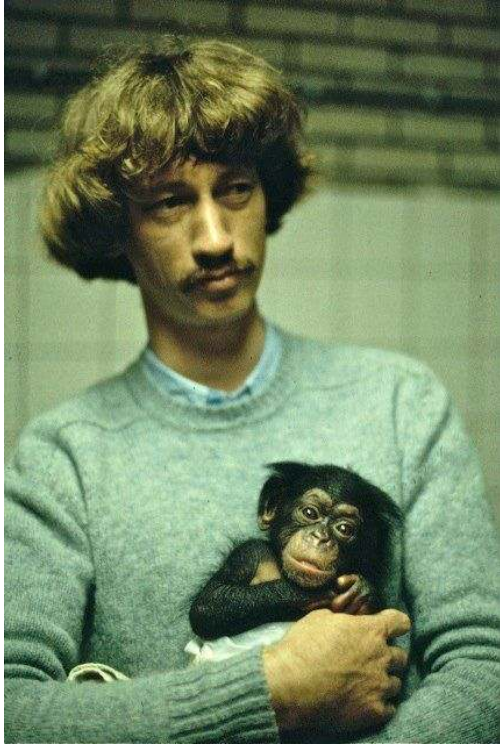
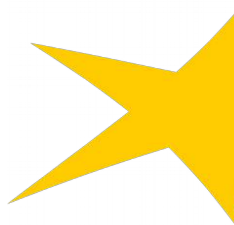
The Simulation Theory of Mind Reading 1986

Mind Reading
Mirror Neurons
Gallese and Goldman 1985

Mirror
Neurons



Innate Fairness



Frans de Waal

Morality and ethics in animals

Innate sense of fairness

Crows, Elephants, Dogs, Primates

Neuroscience of empathy



Frans de Waal (TED)

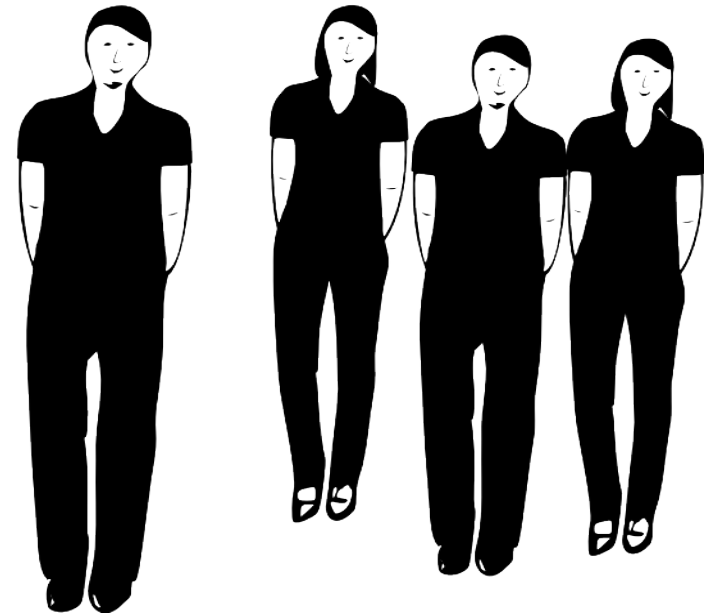
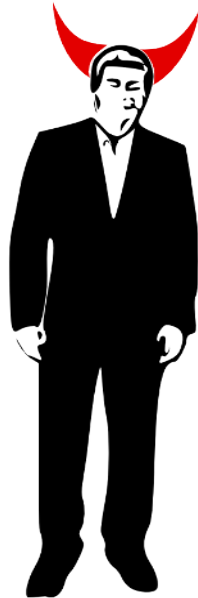
Implications of Equity

Same task = same reward

Reward relative to individual agreement?

Bias

Gender pay gap!

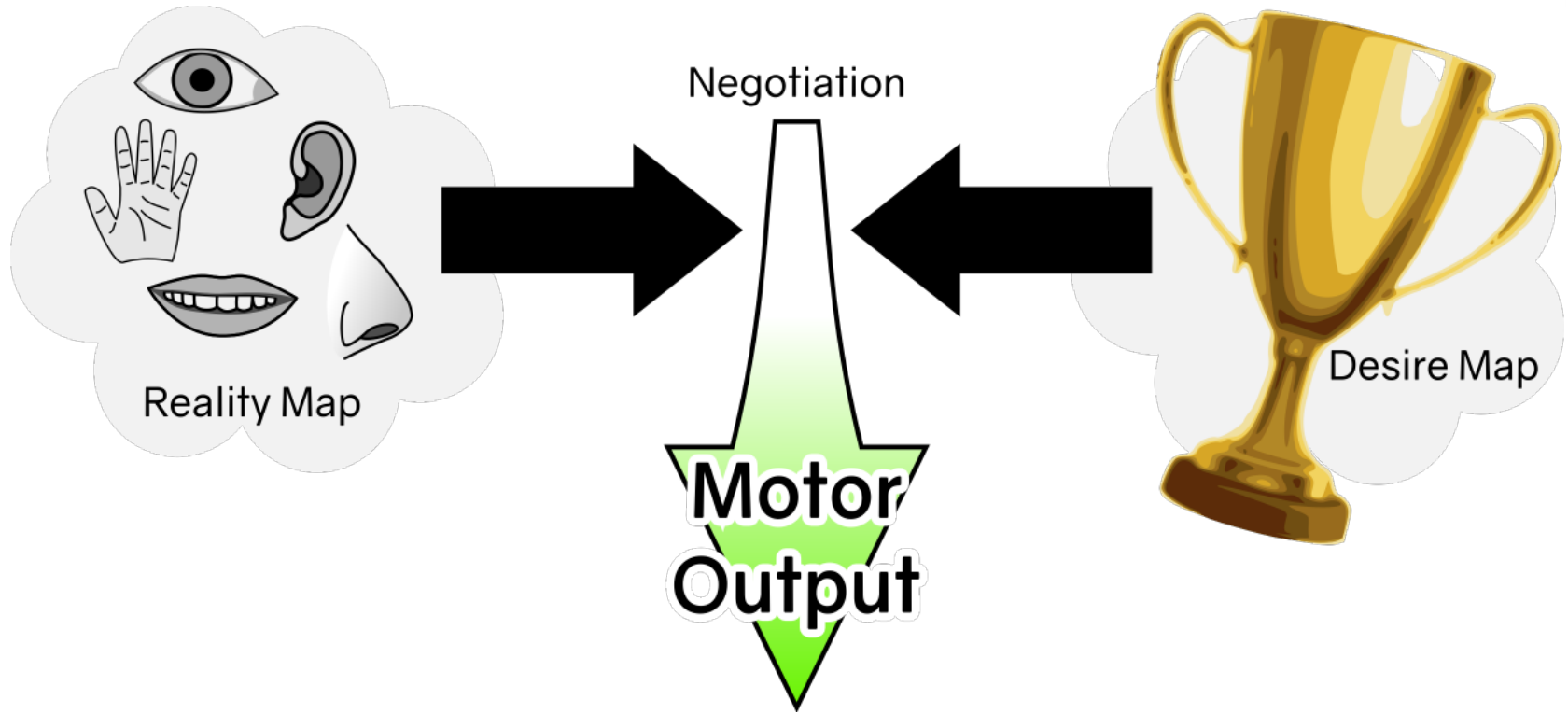


Motivation

What about motivation?



Dual Realities



Planning for Inaction



“I’m going to the gym later”

“I’m starting my diet on Monday”

“I’m looking for a new job next year”

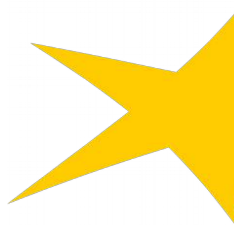
Motivation

Motivation creates conflict

Desire



Reality



Motivation is the absence of **Action**



Goals

SMART

Sales target £1,000,000

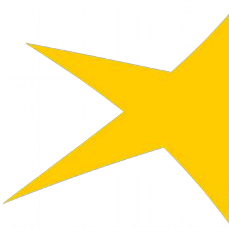
Complete a report by Friday

Present a monthly update to the board

Solutions



Setting Objectives



Giving solutions prevents autonomous goal seeking

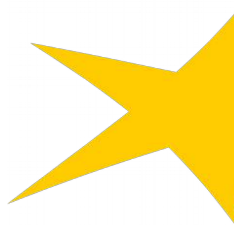
Don't give people objectives to achieve

Give them problems to solve

Let them figure out the solution

Reward learning and autonomy, not success

Performance Management Rules



Express objectives as **problems**, not solutions

Create the '**Desire** map'

Simple, fast feedback

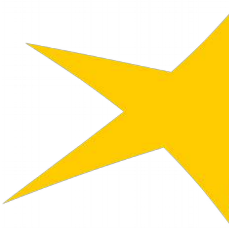
Warmer / Colder

Difference - what happened v what was expected

Fair reward

Reward **decisions** that drive behaviours instead of results

Performance Management Rules



Simple, fast feedback

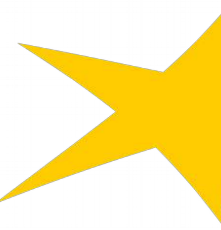
We worry about employee engagement
That's not the problem

We need to worry about **manager engagement**

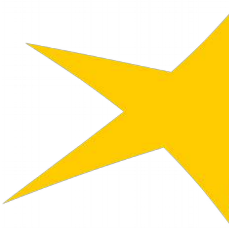


Questions

?



Important Questions



How will you get there?
Are we there yet?



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