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Editorial

Researchers and practitioners in Work and Organizational Psychology (WOP) have devoted decades to understanding and developing performance management systems in organizations. The term performance management (PM) refers to organizational interventions or activities aimed at improving individual, group, or organizational performance, for example, via goal setting, feedback, and reward systems. Many organizations, including global players like Deloitte, Accenture, or Adobe are turning away from formal performance management systems towards more informal processes such as instant performance feedback. Some argue that performance management has failed, because in many ways it has been reduced to prescribed steps within formal administrative systems. Research in WOP and management shows that PM systems can be effective if they rely on the participation of the different stakeholders in defining performance criteria as well as on regular feedback based on those criteria.

In this Special Edition of InPractice we would like to shed some light on the practical application of both innovative and evidence-based PM systems and their effects on performance, health, and organizational success. We are more than happy to present authors from both Europe and the U.S. using approaches that are closely related and rooted in WOP research.

In our focal article we are delighted to present a paper by Robert D. Pritchard and Natalie Wright on the 10 biggest problems in PM and how to avoid them in practice. Bob Pritchard has influenced research in motivation, productivity, and performance management over the last five decades. His worldwide research programme on the ProMES methodology is one of the most striking contributions of WOP in practice. We had the chance to talk to Bob Pritchard about the 10 issues they came up with:

> **C: Bob, tell me more about the reason, why you and Natalie decided to write the article.**

B: The background is that the 10 problems we're addressing here are fairly obvious. But in my experience, they are commonly done badly in organizations. I don't know of a single organization that I've worked with in the past 50 years that would initially get good scores on all of these 10 problems. The question that we're trying to answer here is what are the

most important issues that need to be addressed in order to do a good job in performance management.

C: The first issue that you're addressing in the article is that measures of individual, or team performance are rarely tied to broader organizational objectives. Why is it important and what can we do about it?

B: There has to be a line of sight from performance measures to meeting organizational objectives. The test I use is quite simple. Ask yourself: if this measure got better and better, will organizational objectives be met better and better? If those measures are not aligned with organizational objectives, you will improve things that will not help the organization to improve. The nice thing about this particular problem is that it is fairly easy to resolve, at least once the organization's objectives are actually clear. What you need to do is first to make sure that the broader organizational objectives are clear, and if they're not then they need to be made clear. You then start with the specification of those organizational objectives. Then ask organizational personnel whether improving the measures used will, in fact, meet the organizational objectives. This takes some time, but it is not usually that difficult.

C: I come across this issue quite often, and when I tell management that I cannot continue working with the group until organizational strategies and objectives are made clear I often get the feedback, that this is work in progress and can be done later. How would you convince them that they should work on their strategy first?

B: I think the answer to that is quite simple. How can you make sure that the team is defining the 'right' objectives when they aren't tied to organizational goals? In a worst-case scenario, they are producing results that have no value to the organization.

C: That's a good point. And this would mean sunk costs and then you're talking management language.

B: Exactly.

C: You said, this first problem is a fairly simple issue. What is a more complicated problem?

B: If I had to say what is the single most important problem that performance management systems had worldwide it will be this: People are being held accountable for things they cannot control.

C: This can be very frustrating, right?

B: Oh yeah, this will definitely not help to stimulate motivation. People are being evaluated on things they have no influence on. This will often decrease motivation.

C: Why is it then done so frequently?

B: Well, it's very easy to develop bad measures. Whereas, as you know from using ProMES, it takes a lot of effort to develop good measures of performance. What you do in ProMES, you ask the question to the group or the individual worker, how much control do you have over this measure? If you put in more effort into improving it, are you able to change that measure? If the answer is no, you have to figure out what the factors are that influence that measure. Lack of control comes from factors influencing the measure that unit personnel cannot influence, such as cost of materials, maintenance in the equipment, and number of customers. If you have a good picture of the factors that determine the measure you can change the measure to eliminate or reduce the effects of these uncontrollable factors. It takes a lot of work and thought to go through this process.

C: And what happens if you don't do this?

B: Well, then you're not getting the good results that you want.

The full interview can be downloaded as a podcast on the InPractice website.

The second article by Brandon Young and Barbara Fritzsche discusses the development and validation of a scale that measures individual perceptions of feedback interventions. The Feedback Intervention Perceptions Scale (FIPS) evaluates the characteristics of five feedback intervention components such as Performance Measurement, Feedback Content, or Feedback Delivery. Results indicate that the measure has good psychometric properties and support the utility of the FIPS for both research and practice. A short form of the FIPS and preliminary validity evidence is also presented.

Judgements and ratings are always subject to errors and social judgement, especially when they are applied in annual performance reviews. Even if defined procedures and rating standards are in place, managers' ratings of their employees will invariably be coloured by their subjective impression of the last few days, or weeks maybe. This results in inconsistent and unequal judgements. Roman Soucek and Annika Rupprecht have investigated the effects of day-to-day, or instant feedback on work engagement. Especially in virtual, flexible, and self-determined working environments, day-to day

supervisor feedback is gaining in importance, as feedback can be a powerful job resource and thus a key driver of work engagement. The paper gives valuable insight into a diary study that examines the contribution of supervisory feedback to job resources and work engagement, and thereby, differentiate between face-to-face feedback and computer-mediated feedback. The results substantiate the effectiveness of supervisor feedback on job resources, which in turn, contribute to work engagement.

Most modern work forms require group work. This means that it is often difficult or even impossible to tease out an individual's specific output or performance within a group. Hence, measuring individuals' performance in a context where they are interdependent with others and, therefore, don't have full control over their own performance a) will be perceived as unfair and b) will not lead to performance improvements given that feedback at the individual level will not automatically lead to improvements at the group level. I, Moritz Reichert, and Sabrina Ulrich present an interesting piece of applied WOP dealing with this issue. We applied the Productivity Measurement and Enhancement (ProMES) in a private hotel and investigated its long-term effects on team and individual outcomes. In line with their expectations, multi-level analysis confirmed a positive relationship between ProMES feedback and job crafting behaviours. The introduction of ProMES revealed significant and sustainable gains in productivity over a period of more than four years.

We offer you best wishes and good health for the rest of the year 2020. We look forward to seeing you at this year's WorkLab which will be a virtual event from November 12–13, 2020. We will have an excellent programme that will be delivered in three virtual sessions over the two days. We will focus on the challenges that the global pandemic has put on the way we work. You can find more details on the EAWOP Website.

#staysafe

– Colin Roth

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