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2015 INSIGHTS REPORT

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THE PERFORMANCE CONVERSATION EXPERTS

# THE 7 INGREDIENTS OF WORLD CLASS PERFORMANCE

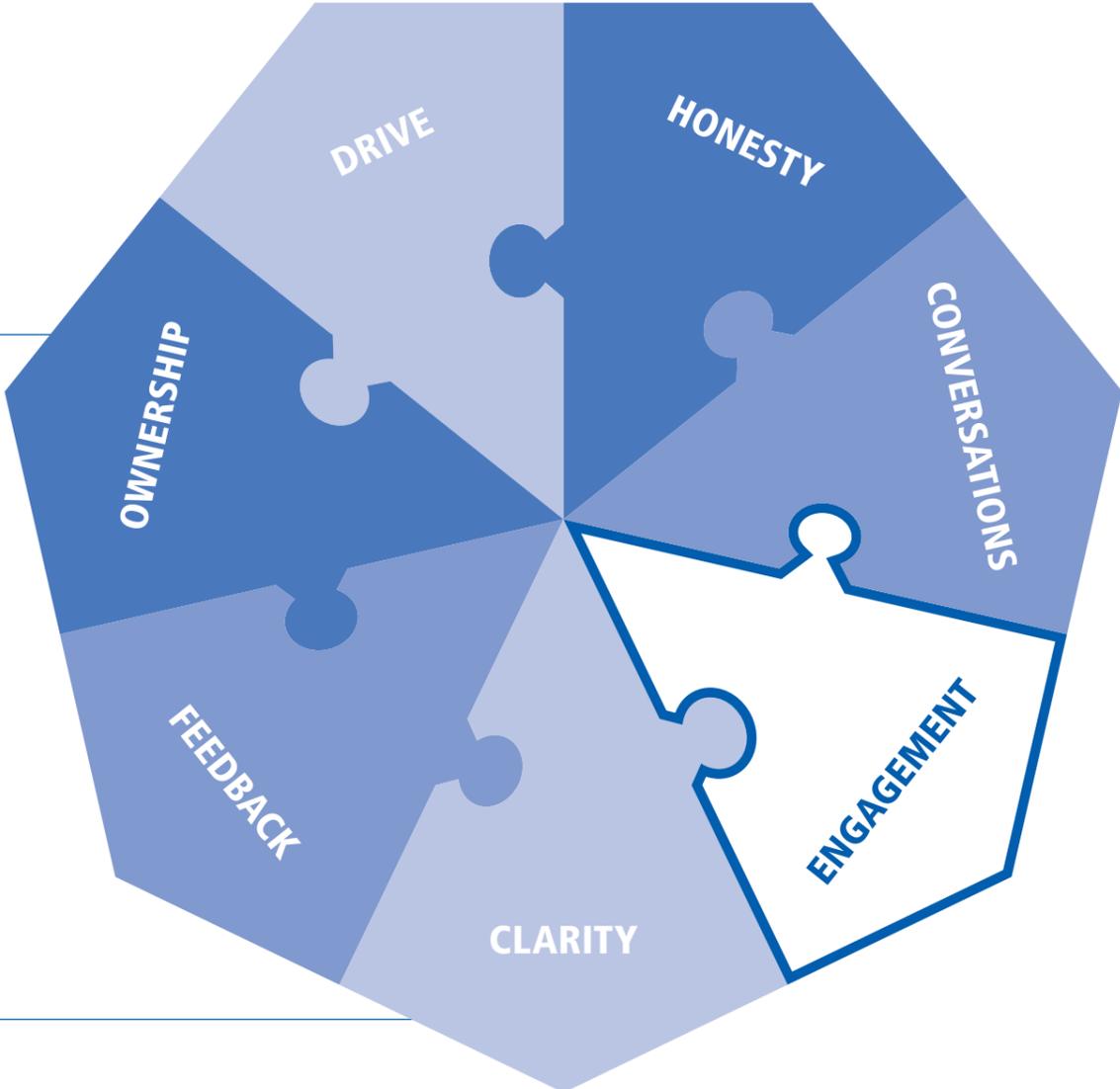


**Global Edge are the experts on performance conversations.**

We have spent years working with organisations to bring about a permanent shift in the way they undertake performance management so that it becomes part of the cultural fabric of their business and one in which people not only want to work, but strive to perform better.

Through our ongoing research and consultation with business leaders, we've identified 7 key ingredients which we believe are critical for organisations to become world-class at managing and optimising performance.

- 1 HONESTY
- 2 CONVERSATIONS
- 3 ENGAGEMENT
- 4 CLARITY
- 5 FEEDBACK
- 6 OWNERSHIP
- 7 DRIVE



The diagram above illustrates the key puzzle pieces that mould organisations into world-class performance managers.

IN THIS REPORT WE FOCUS ON...

# ENGAGEMENT >>

# ANNUAL SURVEY RESULTS



**In November 2014, 231 organisations\* took part in our annual survey.**



Survey participants considered their organisation against two polar opposite statements and selected the one which they felt their culture was most aligned to. There was also an opportunity to explain why they chose that option and consider what the costs or benefits were in such a culture.

This report focuses on 1 ingredient, **Engagement**. This is the second in our series of insights into maintaining a healthy and sustainable organisational performance culture in a highly interdependent,

hyper-competitive and often unpredictable world of work.

I have taken qualitative and quantitative data from our 2013 and 2014 research and overlaid this with the most recent industry surveys and opinions.

A large number of our own clients took part in our survey and this has given me unprecedented access to senior businessmen and women to gain new insights and learning around performance and engagement. I would like to thank them for their own engagement in this work.

## Survey Insight

Encouragingly, organisations are placing greater emphasis on the importance of Honesty (35.5%↑) and day-to-day Conversations (38.9%↑). There is also evidence of greater investment in management capability to give quality Feedback (48%↑) and take Ownership (13.2%↑) of managing performance.

However, 33% of organisations still feel their people are disengaged. (Engagement 13.5%↑). Whilst there is a clear focus on role definition, and accountability, organisations remain challenged in gaining high levels of commitment. (Clarity, 2.5%↑). There are good signs of progress in managers demanding greater effort

to deliver higher levels of performance but struggling to get it (Drive, 11.7%↑).

We conclude that organisations are increasing the frequency of performance conversations, but have not connected this with the importance of being 'in tune' with the emotional needs of employees.

This report therefore highlights the importance of really knowing, focusing and valuing employees to drive greater engagement. We need a much more enlightened approach, way beyond traditional HR approaches. This just might be the right moment to engage the disengaged.

## ENGAGEMENT

People are unclear and/or disengaged about the future and where and how they fit in.	2015 <b>33.3%</b>	2014 <b>43.8%</b>
Leaders provide a clear and engaging vision to inspire and motivate.	2015 <b>66.7%</b>	2014 <b>56.3%</b>

## HONESTY

We are not always open and honest and have a tendency to avoid challenging each other or have 'tough' conversations (where necessary).	2015 <b>33.3%</b>	2014 <b>68.8%</b>
We have a very open and honest culture, and where necessary, are prepared to challenge and have 'tough' conversations.	2015 <b>66.7%</b>	2014 <b>31.3%</b>

## CLARITY

There is a lack of clarity and transparency on what is expected from people in their roles and how their performance will be assessed/monitored.	2015 <b>35.0%</b>	2014 <b>37.5%</b>
People have clear roles, success measures and accountabilities which they understand and commit to.	2015 <b>65.0%</b>	2014 <b>62.5%</b>

## OWNERSHIP

Managers say they lack the time to manage performance and regard managing performance as an 'add on' to their role.	2015 <b>36.8%</b>	2014 <b>50.0%</b>
Managers take full ownership and responsibility in managing performance, ensuring it becomes an integral part of their role.	2015 <b>63.2%</b>	2014 <b>50.0%</b>

## CONVERSATIONS

Managers overly rely on the formal appraisal meeting to manage and drive performance.	2015 <b>17.4%</b>	2014 <b>56.3%</b>
Everyday performance conversations based on trust and strong relationships are the bedrock of how we manage and drive performance.	2015 <b>82.6%</b>	2014 <b>43.8%</b>

## FEEDBACK

People lack the skills and confidence to give regular, constructive feedback which motivates others and improves performance.	2015 <b>33.3%</b>	2014 <b>81.3%</b>
We are experts at giving regular constructive feedback which motivates others and improves performance.	2015 <b>66.7%</b>	2014 <b>18.8%</b>

## DRIVE

We tend to settle for 'accomplished' performance, missing opportunities to properly celebrate success.	2015 <b>35.0%</b>	2014 <b>46.7%</b>
We drive for 'outstanding performance', regularly building on success and nurturing high performing talent.	2015 <b>65.0%</b>	2014 <b>53.3%</b>

\* The organisations taking part in this survey were from a range of sectors, including: Retail, Media, FMCG, Professional Services, Finance and The Public Sector. Survey participants (one per organisation) came from both HR and Commercial roles.

# PERFORMANCE FLOW: THE MISSING LINK TO EMPLOYEE ENGAGEMENT



**//**  
The orchestra makes its final adjustments, a few in the audience shuffle in their seats and take their last self-conscious coughs as seconds pass like minutes and at last the baton, as if channelling a divine message, cuts through the air. The conductor leads the players into a state of musical flow and tonight a standing ovation will reward their extraordinary effort.

The conductor in the above example knows very well that he or she must make sure that the four families of instruments (strings, brass, woodwind and percussion) are played in synch and not competing or drowning each other out, however, this is not their ultimate desire. Every conductor aims to marshal these relationships into a whole, whose brilliance exceeds the sum of its parts.

In essence, this report is about the "relationships between relationships" and rather like the ambition of the conductor, it explores the repertoire of responses and approaches required to support the pursuit of human potential and considers the value of Performance Flow, in the context of Employee Engagement and the rapidly changing world of work.

Every human performance carries with it the risk of failure. Success is dependent on the ability of the performer and the very best performance environment, but perhaps, the highest level of success hinges on the performer's ability to harness his emotions in the service of the performance. This will often include the very finely balanced containment of unsupportive inner voices and anxiety, whilst channelling a more positive and energised approach to the task in hand.

To deliver a truly outstanding performance every day would be considered by most people as superhuman, certainly something belonging to the realms of fantasy. Despite this, we find some organisations pushing out soulless internal communications from a non-visible hierarchy, loaded

with expectations to deliver outstanding and frequently measured performance.

In such a situation, it would be understandable for employees to consider the balance of power to have shifted in favour of the employer and at their expense.

**//**  
Symphonic thinking is a signature ability of composers and conductors, whose jobs involve corraling a diverse group of notes, instruments and performers and producing a unified and pleasing sound.

Daniel H. Pink - 2005

Emphasis on outputs and KPIs is vital for measuring success but if this is purely what managers are judged on, there is a serious risk of derailing the one, most overlooked dynamic of concentrated engagement practice and that is Performance Flow.

Before getting into flow, it would be worthwhile considering its place in the wider context of Employee Engagement.

## What do we already know about Employee Engagement?

Definitions of Employee Engagement are wide and varied, however, research studies from Heger (2007) and the CIPD (2010) explicitly place emotional and intellectual powers at its centre. Of the 60,000 or so thoughts that we have each day, by far the most potent energisers of engagement are the ones that are in tune with our feelings.

**//**  
Being positively present during the performance of work by willingly contributing intellectual effort, experiencing positive emotions and meaningful connections to others.

CIPD - Creating An Engaged Workforce, Research Report January 2010

The intellectual and emotional attachment that an employee has for his or her work.

Heger, 2007:123

## Typical terms used to describe engagement include:

- Discretionary effort
- Going the extra mile
- Feeling valued
- Passion for work

We have UK Employee Engagement deficit:

- Just one third of UK employees say they are engaged.
- According to Kenexa, UK ranked 9th for engagement levels amongst the world's twelfth largest economies as ranked by GDP.

We also have a UK productivity deficit:

- UK productivity was 20 percentage points lower than the rest of the G7 in 2011. The widest productivity gap since 1995.

Knowing that the vast number of people in the workforce have bosses, are bosses, or both, it is horrifying that CIPD research states that many people identify managers' approaches and behaviours as key factors in disengagement, including:

- Reactive decision-making that fails to address problems in time.
- Inconsistent management style, based on the attitudes of individual managers, which leads to perceptions of unfairness.
- Lack of fluidity in communications and knowledge sharing, due to rigid communication channels or cultural norms.
- Low perceptions of senior management visibility and quality of downward communication.
- Poor work-life balance due to long hours culture.

Existing Employee Engagement practices include the following four enablers:

## 1. Leadership

- Provide a compelling, strategic narrative, known and personalised by managers and employees at all levels.
- Inspire hearts and minds with a clearly articulated purpose for the organisation.
- Ensure everyone knows how to get behind that purpose.
- Be passionate about how everyone's work connects with the bigger picture.
- Campaign at every level for an open and honest culture.
- Be explicit and unapologetic about core beliefs and values of the organisation.

## 2. Engaging Managers

- Facilitate and empower rather than control and restrict.
- Appreciate, respect and commit to the development of their people.

## 3. Voice

- Employees' views are sought out.
- Feedback thrives and cascades at every level.
- Dialogue is a treasured form of workplace communication.

## 4. Integrity

- Role model an authentic and consistent application of espoused values and behaviours engendering a climate of shared trust and integrity.
- Focus on what's right for the organisation and the individuals who work there.

## What is Performance Flow and why is it so relevant to Employee Engagement?

Performance Flow is

- A state in which individuals become totally engaged and undivided in the task they are performing.
- They lose all self-consciousness and exhibit a masterly control of what they are doing.
- A state of relaxed concentration.

**PERFORMANCE FLOW = EFFORTLESS EXCELLENCE**

Focusing on Performance Flow engages management effort on employee potential, the interference that stands in its way and ultimately achieves higher performance levels which come from a state of relaxed concentration.

What's Performance Flow got to do with Employee Engagement? Put simply, everything. A line manager, committed to creating the best opportunity and environment for an employee to be in flow needs to focus on three crucial principles of engagement, drawn from the employee's perspective.

Findings from our 2015 survey support our view that the real opportunity regarding engagement is to significantly shift management behaviour towards a more consistent and far-reaching effort to unlock employee potential, grounded in the three engagement principles:

1. Know Me
2. Focus Me
3. Value Me

If these factors are truly taken into consideration by a manager, many of the usual barriers to engagement would be significantly reduced.

In order for full and emotional engagement to occur at work, managers must see themselves as trusted resources, driven to know, focus and value their direct reports. The gain for the employee is a greater sense of achievement, awareness of their own performance capability and clarity of purpose and value.

Highly engaged employees provide as much as 57% more discretionary effort than the disengaged.

Corporate Leadership Council 2006

The case for the organisation is overwhelming.

Ensuring staff are performing to their full potential is how organisations will secure their competitive advantage.

Mel Flogell, Head of HR policy at Centrica

## What can managers do to get people into Performance Flow?

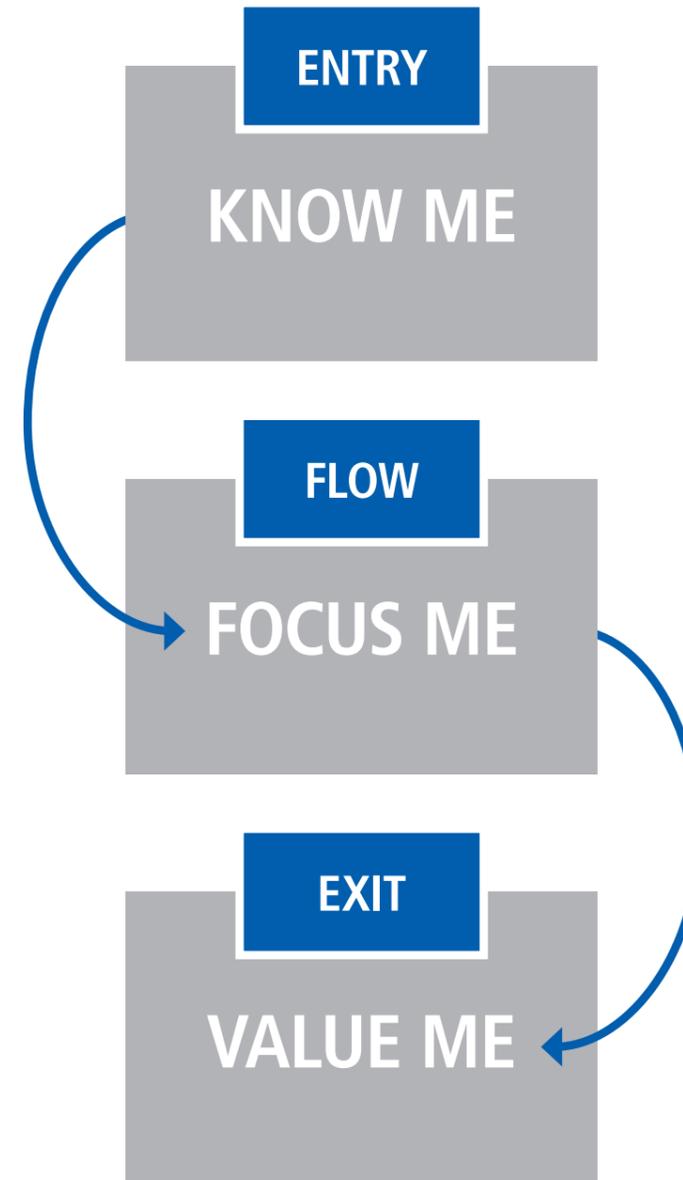
Don't let me be misunderstood.

The Animals - A's B's & EP's

Every manager needs to learn how to tune in to the Performance Flow of their employees. Perhaps the most enlightened members of this pressured community of men and women should give themselves a good listening to.

The art of being in tune with Performance Flow is to recognise people have a unique experience of the stages of entry, flow and exit. To value this in your self and your employees will create the conditions for greater ownership of task, time and outcome.

The real win is to make the connection between entry, flow and exit with know, focus and value. In doing so you will demonstrate your belief, trust and investment in them and in return have an employee who is understood and engaged in performing, learning and enjoying their work.



## KNOW ME

1. Follow my interest.
2. Believe in my potential.
3. Know what stops me from achieving my potential.
4. Understand what my own performance means to me.
5. Show me (all of the above)

Treating people with respect and fairness, with a concern for their wellbeing, is a reasonable engagement starting point. Then add, a genuine and visible desire to follow their interest, combined with an unshakable belief in their potential. Then and only then can you take the first steps towards building the performance dynamic that leads to Performance Flow.

Simply relying on a formal appraisal process to find out about effort and achievement will never allow a manager to know truly, how frequently and to what degree an employee has been in flow.

Give your employees a damn good listening to, and act on what you learn.

Richard Baker, Former CEO of Alliance Boots

KNOW ME. FOCUS ME. VALUE ME.

## FOCUS ME

1. Articulate the overarching vision of the organisation in such a way that it makes sense to me personally.
2. Help me to gain a clear line of sight between the vision and my role.
3. Be explicit about the values and behaviours required from me in my work and be honest if a gap ever emerges between the two.
4. Help me to stay on track by providing regular and high quality feedback.
5. Be aware that the work you give me, if designed adeptly and developmentally, will enable me to reach higher and more frequent levels of Performance Flow.

Managers have a crucial role in getting the balance right between challenge and capability. Designing challenging work within the capability of the individual is an essential skill to be mastered and a very wise investment in management time and effort.

Employees will not remain engaged if work is not focused around them with a built-in 'intentional stretch'. A palpable abundance of potential-reaching and the sound of glass ceilings being smashed through in an organisation will have more impact than any Employee Engagement survey!

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Energy flows where the attention goes.  
Anon

## VALUE ME

- Value me as an individual and for the difference I make.
- Recognise the results I achieve and the effort it takes to achieve them.
- Praise me authentically and appropriately.
- Be realistic, I will go in and out of Performance Flow.
- Involve me and listen to me.

Being valued as an individual and for the difference you make is in direct conflict with old-school scientific management practices, where the principle is power over rather than power with. Providing meaningful work is also key to employees feeling a sense of being valued. In this context, autonomy, justice and not being treated as a commodity are all important layers to building trust and feeling respected and recognised.

Performance management systems, which appear to be more geared to addressing poor performance than recognising great effort and achievement, should be removed.

“  
People join organisations but they leave managers.  
Anon

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Global Edge are the experts in performance conversations (that is, the everyday dialogue managers have with their team about performance). Distinct from the traditional "appraisals" approach to performance management, we work with our clients to increase the frequency, quality and impact of these everyday conversations, delivering measurable changes in behaviour and quantifiable ROI.

Our cutting edge programme, *The Outstanding Performance Manager*, is provided on both an open and in-house basis.

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