



Human Resources Notes

“The aim of Human Resources Notes is to provide concise information on topical human resource management issues to guide effective people management practices.” Peter Fisher, Executive HR Consultant (THCS)

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Barriers to effective performance management

Performance management is a system to convert business leaders’ ideas for making money into day-to-day actions on the part of employees (Viedge, 2011). When performance management is working well, star employees are regularly working in the ‘zone of discretionary effort’ (doing more than is just acceptable) and non-performers are moving on.

Over the last five decades, most big enterprises adopted formal systems to standardise implementation of performance management. Typically, employees (working with their managers) set goals for the year; managers interview others who have worked with them and write up an appraisal; employees are rated and ranked numerically; and salary, bonus, and promotion opportunities are awarded accordingly in the organisation (Rock, Davis and Jones, 2014).

Even though performance management is generally acknowledged as being a key tool to achieve business goal execution, there has been widespread dissatisfaction with the efficacy of the current model.

Before embarking on an overhaul of its performance management system, Deloitte consumed close to 2-million hours a year on performance management. (Buckingham, Goodall, 2015). Deloitte’s review (and other studies) uncovered more shortcomings in performance management processes:

- More than half of company executives believe that the current performance management approach drives neither employee engagement nor high performance.
- Employees find these systems dispiriting and exhausting.
- In most performance management systems, the focus is on past performance, not on future potential.
- 62% of the variance in performance ratings are accounted for by individual raters’ peculiarities of perception. Most of what is being measured by performance ratings is the unique rating tendencies of the rater.
- The defining characteristic of the very best [performing] teams at Deloitte is that they are strengths oriented. This important finding was derived from an empirical study of Deloitte’s high-performing teams and not from the performance management system feedback.

In this context, organisations are revamping performance management systems. Some have only tinkered superficially with the current system. Others have replaced one burdensome system with another. A company recently asked, “We have now used this new system and process for 6 months. In our effort to simplify, have we overcomplicated the process? Are all these steps necessary and adding value?”

Before re-designing a performance management system, an organisation must understand the barriers to effective performance management inherent in the current system. Here are five:

- (1) *Bureaucratic system* – Many performance management systems are time consuming, complicated and burden managers and employees

with cumbersome paperwork or electronic information capturing. Frequently, managers see the performance management system as being not worth the effort. A manager may comment, "Why should I complete all these forms? I know who my good performers are."

(2) *Infrequent performance communication* – A performance management system which is centred on twice yearly performance appraisals is inadequate. If an aim of performance management is to get day-to-day goal directed actions by employees, then frequent two-way performance communication is required. Managers should sit at least once a month face to face with each of their team members to acknowledge good performance; gain understanding of performance barriers and agree short term action plans with support to be given by managers where necessary.

(3) *Incorrect diagnosis of performance problems* – Does the performance management system facilitate managers and employees getting to the root causes of under-performance? If not, the system is merely a record of historical events and does not contribute to ensuring effective responses to performance problems.

(4) *Performance ratings* – Employees are often dissatisfied with managers' rating of their performance on the much used 5-point scale. Performance appraisal audit mechanisms and grievance procedures may be inadequate tools to fix the shortcomings of rating scales. Organisations should consider adopting distinct performance categories, such as, [1] not yet full performance, [2] effective performance, and [3] exceptional performance, to replace rating scales.

(5) *Performance management is disempowering* – Employees believe that their performance is prejudged and performance reviews do not offer the opportunity for thoughtful, reflective conversations that allow people to learn. The discussion between manager and employee on performance ratings is a win-lose positional negotiation (or consultation).

No matter what the performance management system looks like it will only be successful if it has the commitment of an organisation's top line

management and all managers are good role models for their teams. ■

Workplace bullying

Bullying is a harmful social behaviour which conjures up images of children at school being picked on because of some weakness perceived by the bully. Unfortunately, bullying is not only a childhood phenomenon. Bullying occurs in the work environment where, it manifests in more subtle ways, often goes undiagnosed and is kept secret by the victims.

Bullying behaviours include: unwarranted or invalid criticism ▪ being treated differently from the group ▪ harassment ▪ verbal abuse ▪ being shouted at or humiliated ▪ excessive monitoring or micromanaging ▪ unrealistic deadlines ▪ target of practical jokes ▪ blame without justification ▪ exclusion or social isolation ▪ physical intimidation ▪ purposefully withholding vital information ▪ setting impossible goals ▪ tampering with personal belongings ▪ public ridicule. Bullying can be perpetrated by individuals or at an organisational level.

Nothing good comes from bullying. Organisations can experience: employees suffering stress and health effects ▪ breakdown in teamwork ▪ reduced productivity ▪ high staff turnover ▪ resignations ▪ replacement costs ▪ absenteeism ▪ suppression of participation and new ideas ▪ negative culture ▪ reputational harm ▪ litigation costs.

Organisations must, in terms of their obligation to care for employees' safety, adopt a proactive approach to stamp out workplace bullying. Measures may include:

- Implement a bullying policy (workplace bullying is three times more prevalent than sexual harassment, yet far fewer companies have bullying policies than have sexual harassment policies)
- encourage reporting

- have a quick response process
- investigate every complaint
- protect victims
- provide specialist counselling support
- take disciplinary action and dismiss proven bullies.

(Source: Gobind, 2015) ■

Validity of Selection Methods

One of the more important decision-making responsibilities of a manager is to find and hire the best people. The benefits of appointing great people are well known as are the costs of getting the decision wrong.

Usually, managers subject job applicants to several selection methods to narrow the applicant pool to a point where a choice of the best candidate can be made. In choosing a selection method, managers must consider the predictive validity of the method. A high predictive validity means that the results of the selection method correlate strongly with job performance.

A much-cited study (Schmidt and Hunter, 1998) identifies selection methods with high predictive validity.

Combinations of selection methods are most useful in predicting job performance:

- Cognitive ability test and integrity tests;
- Cognitive ability test and a structured interview;

On their own, cognitive ability tests, structured interviews, and work sample assessments have high predictive ability.

Unstructured interviews and reference checks have a disappointingly low predictive validity. Despite having poor predictive validity, unstructured interviews are still commonly used in selection decision making. ■

Polygraphs in disciplinary hearings

A polygraph (or lie detector test) is based on the principle of the human fear of being caught out. In a polygraph test, questions are posed to the examinee (the employee suspected of committing misconduct) and if the examinee is made uncomfortable by any of the questions, his body will react subconsciously. The involuntary reaction is shown by physiological changes including quicker breathing, increased heart rate and rising blood pressure.

Typically, a polygraph produces a minimum of three graphs showing the examinee's cardiograph (related to blood pressure); pneumographic (breathing response); and, GSR (galvanic skin response). Additional readings may be obtained by precision optical scanning, which measures the stress responses of an examinee's eyes and voice stress detection.

A polygraph test is not an objective test such as a blood test. A polygraph does not directly measure deception or lying. Instead it relies on the examiner drawing an inference from the physiological activity that it records. The examiner provides the presiding official with an expert opinion.

The Professional Board of Psychology in South Africa has in the past gone so far as to describe the polygraph as "totally unreliable and not in the best interests of the public".

It is unlikely that the CCMA or the South African courts will ever accept polygraph evidence as being solely determinative of a person's guilt.

A case which highlights the questionable reliability of polygraph tests was ruled on by the Labour Court. Eight laptop computers went missing from a company's bulk store where computers and related products were stored. Management had the premises searched and the laptops were not found. CCTV footage did not reveal anything untoward or suspicious. Management suspected an inside job and decided to get sixty-seven service technicians polygraphed. Six failed the test. They were retested and four failed a second time. The four who failed the polygraphs twice were dismissed.

The case of one of the four dismissed employees ended up in the Labour Court. Because the only evidence against the dismissed employee was the polygraph result, the Court concluded that the dismissal was unfair. (Labour Court, 2010). A reliable test should produce the same results when it is used repeatedly over time. In this case, two employees who failed at their first attempt, 'passed' on being retested. One can only speculate whether a third test would have changed the fortunes of any of the four employees who failed two tests.

A chairperson who encounters polygraph evidence in a disciplinary hearing must decide whether to allow the polygraph evidence in the disciplinary hearing, and if so, what weight to attach to the polygraph evidence.

The chairperson should not accept the polygraph results on their own as proof of misconduct. At best, the results corroborate with other incriminating evidence and may be considered as a factor in assessing the credibility of a witness and in assessing the probabilities. (Page and Coetzee, 2013) ■

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We implement **practical, professional** and **cost-effective** solutions for all people challenges in business. We help build the bridge between employees' performance and **business performance**.

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