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Strategies For Improving Individual Performance In The Workplace

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Abstract

This paper explores strategies employers use to improve the performance of their employees. Drawing upon a wide field of research from sociology, organizational behavior, and management, the paper explores both company wide policies and job specific methods that can be used to create productive employees. In the increasingly complex and fast paced work environment that depends on the knowledge worker, managers are finding that success comes from a well-trained and highly motivated workforce. The key findings of this report show that establishing a well articulated organizational culture, engaging employees, using performance evaluations and incentives, and employee training are critical to achieving meaningful results.

Key Words

Employee Performance, Employee Engagement, Motivation, Performance Incentives, Performance Evaluations, Training

Organizational Culture

Organizational culture is the way employees learn to behave and communicate within their work sphere. (Nidthi Maithel et al., 68) It sets the social norms by which employees live by, and also communicates the company's goals, vision, and structure. The organization's culture is important to the employee as they learn to assimilate into organization and become productive members of the group. If the employee fails to assimilate into the group, they will often experience difficulties adjust into their new environment. The better the match the employer creates between employee and the organization's culture, the more success the employee will experience in the new company.

This assimilation into the group culture begins with the hiring process. Hiring managers need to appraise not only the employee's abilities and skills, but whether they are a good fit for the organization. It is entirely possible to have a completely qualified candidate for a job position in the company with regards to skill, but a completely unqualified match to the organizations' culture. This becomes more important the higher up the company structure you go, as leaders in the organization become responsible for creating, maintaining, and embodying the company's culture. Hiring managers need to keep a long term view of the company, being careful to not only match employee skills to their job but the employee entire personality and culture to the company's culture.

The next phase of utilizing organizational culture to enhance employees work begins after the initial hire when the employee is first introduced to the company. Inevitably this "assimilation phase" (Ivancevich, 2011) requires some adjustments on the part of the employee to adapt to their surroundings. As good of a match that the hiring manager makes, every person comes to the organization with their own set of communication styles, values, and beliefs. The employee needs to receive instruction with how things are done and then opportunities to practice those communication styles and methods of work. Often the new employee is assigned a mentor who helps to guide the employee as they navigate their new jobs. Feedback is critical to helping the employee develop their understanding so that they can more closely align their habits and practices to the organization's culture. By assimilating the newly hired employee into the company's culture, the employee will become a productive member of the group and their performance will improve.

After the employee is adopted into the company and off and running, periodic reviews and training are necessary to maintain the employee interest and expertise in the company's organizational culture. People are naturally influenced by others, and these forces may conflict with the company's values and beliefs. It then becomes important to communicate clear vision and goals to the employees, and for management to embody the culture they hope to nurture in their subordinates. When Howard Schultz, the founder of Starbucks returned to the company as CEO in 2008, seven years after he left the position, he immediately called a national conference for all the store managers across the United States. Schultz felt that Starbucks was losing its way; he felt like the company was losing its authenticity, its culture, in the rush for more profits. At the national conference he hoped to instill a new vision and inspire the store managers to reconnect with their customer base and promote the culture of the company to their subordinates. At this time, the economy was in freefall and the company was dipping into the red to put this conference on but the gamble paid off. Starbucks went from negative sales to positive sales over the prior year and refocused its employees on the mission of Starbucks—to provide quality coffee products and connect with its customers on a personal level. The case demonstrates how critical it is to continually reinforce the company's culture, and how important the culture is in creating a recipe for success.

Employee Engagement

Beyond the organizational culture match between employer and employee, employee engagement has been found to be an equally important factor in creating more efficient and productive employees. Increasing employee movement, opportunity, and choice have forced the employer to learn how to engage their employees and keep them engaged. So what is employee engagement? Put simply, it is the employee's willingness and ability to help their company succeed. (Solomon, pg. 1) How does the employee engage its employees? In the Towers Perrin Talent Report, it was found that the top three drivers of employee engagement are "senior management's interest in employees' well-being, challenging work, and decision making authority." (Solomon, pg. 4)

When the manager is invested in the employee, the employee will more likely be invested in the manager and what is important to the manager. This reciprocity between the employee and manager mirrors most relationships people have in their lives, where relationship is born out of giving and receiving. Challenging work is important because it satisfies the needs humans have to grow and develop. Maslow's needs hierarchy states that are highest order need is *self-actualization*—fulfillment through maximizing our abilities, skills, and potential. (Ivancevich, 2011. pg 123) Challenge by definition stretches a person to perform their very best work. Oppositely, unchallenging work does not force one to grow and develop. The feeling of being 'stuck in a rut' kills motivation and discourages employees to go above and beyond the requirements of the job. Over time, this discouragement will lead to a loss in productivity and the possibility of the employee leaving the company for a better opportunity. Decision making authority is also important to keep the employee engaged because this helps to make the employee feel valued and involved. (Solomon, pg 6). When the employee is given the opportunity to help make decisions they are more likely to be invested in the outcome of the group's decisions. In effect, the employee takes ownership of the work process and therefore will work harder to achieve the desired outcomes. Wholefoods takes an innovative approach to employee decision making where they strive to break down hierarchies and let the employees make decisions for themselves. Groups of employees are empowered to come together and vote on important decisions, and upper management tries to stay out of the way. Not surprisingly, Whole Foods has no unions because its employees are given authority to make decisions among themselves.

Monetary Strategies

Monetary compensation and rewards play a critical role in employee attitudes, motivation, and job performance. Consider that the number one factor employees attribute in their decision accept a job offer or not is the salary they will receive. This is not to say that employees do not consider non-monetary rewards, just that the savvy manager should acknowledge that money is a powerful force in driving productivity and increasing performance. So how does a manager make use of monetary compensation and rewards to improve employee productivity?

The first critical step to use monetary rewards as an incentive to improve employee performance is by linking financial reward to performance, otherwise known as "pay for performance." (Herman Aguinis et al., pg 244.) In this situation, the employee knows that if they perform well, they will be rewarded for their hard work. Conversely, if the employee underperforms and does not receive a bonus or pay raise, the manager hopes this will elicit a change in the employee's behavior so they will attempt to improve their performance. To maximize the effectiveness of this concept the manager must be careful when setting up a pay for performance plan. If the reward is too small, the employee may feel like the incentive is not worth the trouble. If the reward is too easy to achieve, the discerning employee will likely do the bare minimum to achieve the reward thus limiting their true productivity levels. In fact, the employee may begin to feel entitled to that reward regardless of their performance which again will limit productivity. Bonuses are often more effective for increasing worker productivity because a large bonus is intuitively easier to work towards than an incremental raise in pay. Management gets more bang for their buck with bonuses because they motivate the employee to perform but also keep control of their labor cost. An effective balance is struck when the clear financial incentives are attached to specific job performance, the performance is achievable with concerted effort, and the incentive is highly desirable. These incentive plans should be made available to employees at all levels in the organization.

After a detailed pay for performance plan is organized, managers must follow through on these plans by rewarding employees in a timely manner. There is no quicker way to breed disloyalty by promising a raise or bonus and not following through on that promise. Greenberg and Associates study of motivations behind stealing point out that some employees want to "even the score." (Ivancevich, pg 232.) If the employee feels like they were unjustly passed over on a promotion or bonus, they are much more likely to steal from the organization as an act of retaliation. On the other hand, when the employee is rewarded promptly for their hard work, they will feel more loyalty to the organization and work harder. Keeping an open dialogue about any changes in the methods to calculate those rewards or any changes to the rewards themselves is also helpful in keeping employees engaged in the process.

Performance Evaluations

Performance evaluations are a necessary component of any employee performance improvement strategy. The performance evaluation serves multiple functions; first to define the employees job function and duties, second to assess how well the employee does those duties, third to identify areas for improvement, and finally to determine whether additional pay or bonuses are merited. (Shahraji, Majid Ghanbari et al, pg 2.) The evaluation lets the employee know what to do and how well they are doing it. For the manager, the evaluation helps them to point out good performance and opportunities for further development in their subordinates.

By defining the job functions and duties, employees have a clear idea of what they need to do on the job. You cannot judge performance unless you have defined what performance actually is. The manager should make sure the evaluation is detailed and specific so as to eliminate any confusion the employee may have with regards to their job responsibilities. While this may seem obvious, with all the demands placed on a manager in a fast paced work environment, many struggle to make time to clearly communicate all the duties of the job to their subordinates. The performance evaluation may score the employee as needs improvement under a category such as communication, but the employee may wonder what good communication actually is. Specific examples should be brought to bear and written into the evaluation to increase employees understanding. Setting benchmarks and measured standards are clear ways to make performance evaluations understandable. The employee should come out of the performance evaluation knowing exactly what is expected of them to perform at their best level.

Assessing the employee's actual performance against the prescribed duties and responsibilities is the next step in using evaluations to improve employee performance. Again, the manager needs to use specific examples to illustrate where an employee performed an assigned task well and where they fell short. One successful strategy managers use is to write down positive and negative examples of employee behavior when they see it happen. Then when the manager sits down to write up the evaluation, they can draw upon those notes rather than relying on their memory. The evaluator is often tempted to only point out the areas where the employee did not perform up to their expectations. However, praise and recognition are equally important in this process. One effective way to bring balance to the performance process is to call out successful work the employee did before leveling any critiques.

The last area where the performance evaluations can be used to motivate employee performance are the incentives managers attach to them. Beyond the affirmation of a job well done, employees are motivated to perform if they know that their performance will result in tangible benefits. It is a common feeling for employees to feel little enthusiasm for the performance evaluation if they feel like the evaluation will not help them in any way. A cursory "exceeds expectations" may be nice to hear, but a cash bonus tied to that mark motivates the employee to improve in their work performance.

Training

Training is the most practical method to improve employee performance. On top of general job training, managers should use the performance evaluations to identify areas of opportunity for employees to improve and then use targeted training in those areas. In a study of APFSC employees about training, over 90% of employee attributed training to increasing their ability to perform their jobs. (Shahraji, Majid Ghanbari, pg. 3) In fact, those employees rated on the job training as the number one factor in improving their job performance. In light of these findings, employers should make every attempt to develop a continuous training program for their employees.

Training programs should be specific to employee's performance evaluations so as to address the weaknesses of employees. While blanket training programs are often helpful in raising the knowledge and skill level of the organization as a whole, a lot of time is wasted on those employees who may need training in other areas. Since employees come to the workplace with varied skills levels and competence, the onus is on the employer to recognize each individual strengths and weakness and tailor the company training to those findings. However, sometimes employers are forced to prioritize key areas that they need to develop in their employees first before they can take a holistic approach to the employees needs. If time and money are key limiting factors in employee training programs, employers should focus on value added skills and train in these areas first. Training is a large part of labor costs so targeting these key areas is essential to organizational efficiency.

Training is important at all levels of an organization. Appropriate weight should be given to manager and supervisor training, as mid/upper level managers are absolutely essential to improving employee performance. Special consideration should also be given to employees who may not be managers but are leaders in their department. These unofficial leaders are often instrumental in motivating the workforce because of the unique position they have. Outside the confines of the manager/subordinate relationship, these employees have the trust and ear of their co-workers. If management is able to tap the full potential of these leaders than those leaders in turn will help to raise the level of the people they work with.

Conclusion

Improving employee performance remains a critical area of study in the field of organizational behavior. Since the decline of manufacturing jobs and the increase of service based industries, managers are finding that the success of their business hinge on hiring and developing knowledge workers. Increased choice and mobility in the modern workforce makes establishing an attractive work culture essential in retaining top talent. Engaging the employee will motivate the employee to perform at their best level. Offering competitive monetary incentives related to performance and then successfully measuring employee performance is also critical to increasing productivity. Following employee evaluations with specific and targeted training then further enhances the workers value. By relying on these strategies, organizations will experience a happier, more motivated workforce with improved performance.

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