

How can HR drive organisational performance?



HR Network webinar

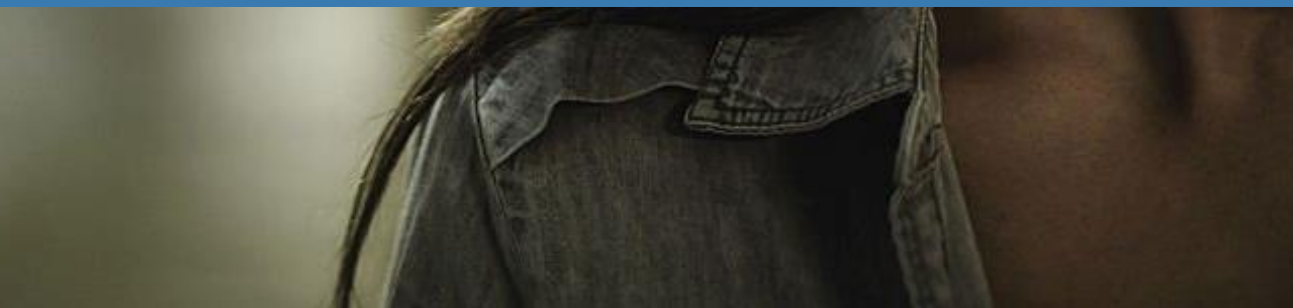
Jonny Gifford

27 March 2025





The “performance question”



On Leadership

In big move, Accenture will get rid of annual performance reviews and rankings

By Lillian Cunningham July 21, 2015

Microsoft axes its controversial employee-ranking system

by Tom Warren · @tomwarren · Nov 12, 2013, 12:53p

POPULAR

QUARTZ

IT'S A MILLENNIAL THING

Why GE had to kill its annual performance reviews after more than three decades

Why Adobe Abolished The Annual Performance Review And You Should, Too



Drake Baer

Apr. 10, 2014, 2:18 PM 34,463 3

The Performance Management Revolution

The focus is shifting from accountability to learning.

BY PETER CAPPELLI AND ANNA TAVIS



Received: 26 December 2018

Revised: 6 August 2019

Accepted: 11 August 2019

DOI: 10.1111/1748-8583.12259

INVITED REVIEW

Human Resource Management Journal

WILEY

Performance evaluation will not die, but it should

Kevin R. Murphy



Trends in performance management

Performance *conversations*:

- more frequent, less formal
- coaching style, employee-led
- (focus on strengths)

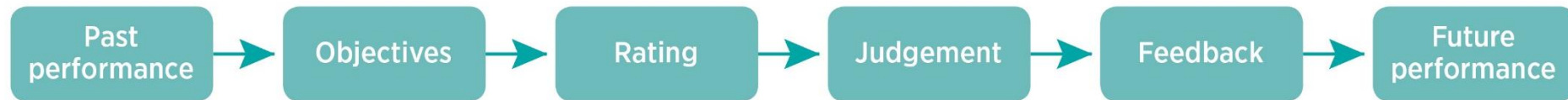
No guided distribution or forced ranking *ratings*

Apps / software for more & better feedback (more regular, 360-degree)

Source: Gifford J (2016) *Could do better?* London: CIPD

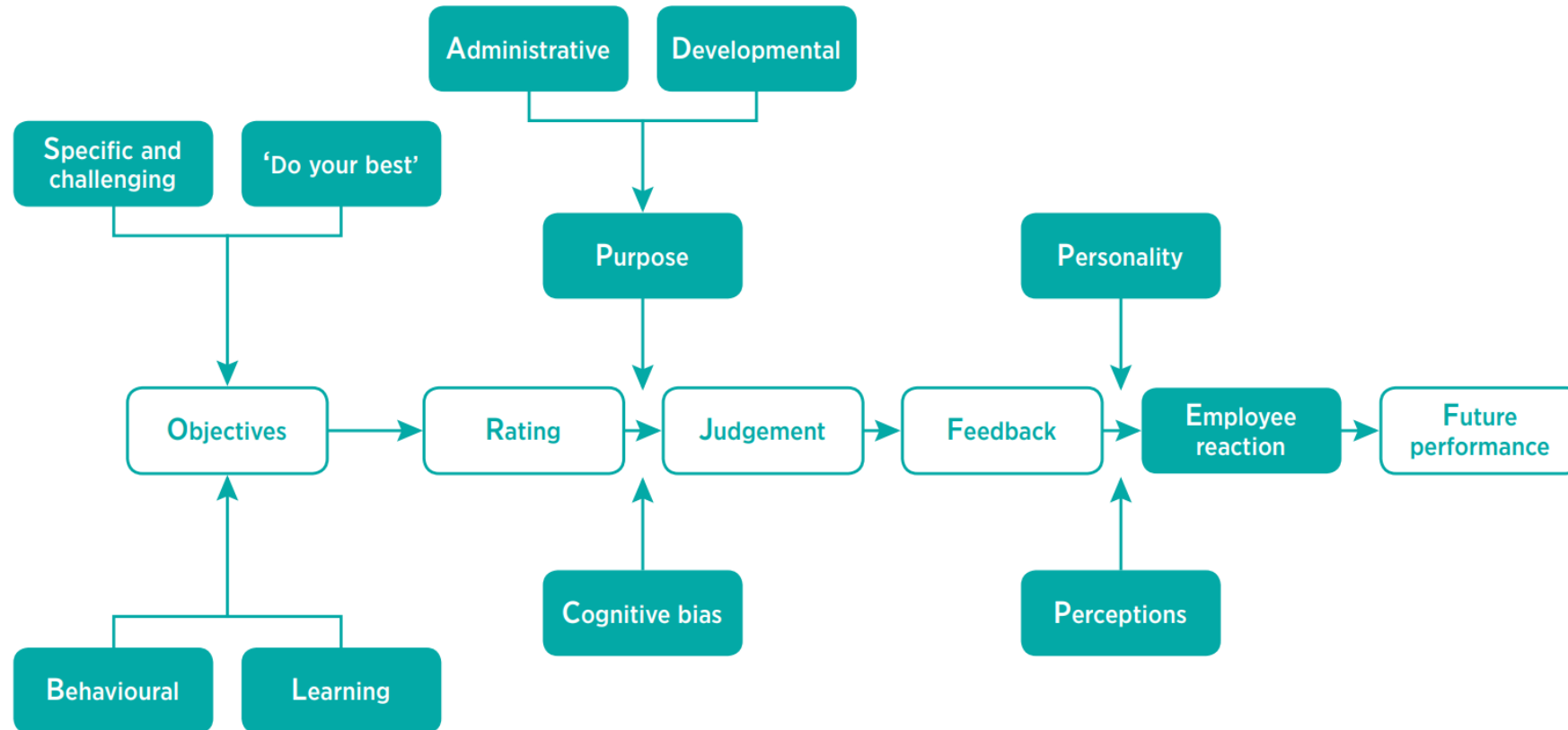


Performance management: not a simple, neat, linear process ...



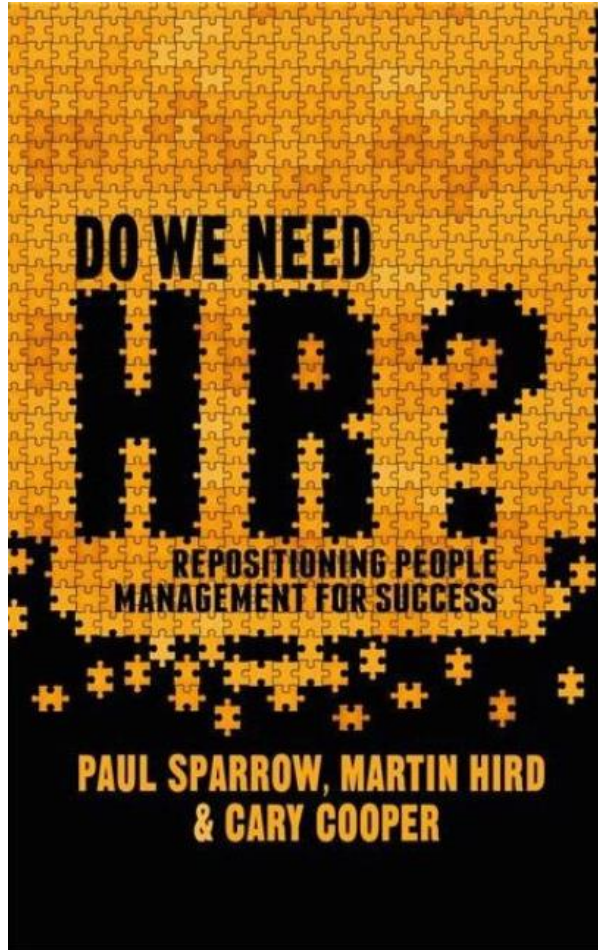
Source: Gifford J (2016) *Could do better?* London: CIPD

Performance management: ... rather, a variety of inflection points & critical influences to consider



Source: Gifford J (2016) *Could do better?* London: CIPD

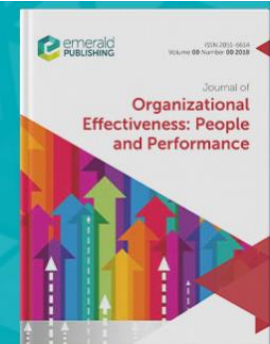
What happened to performance-led HR?



People management and ...

- Innovation
- Customer centricity
- Strategic talent management
- Organisational effectiveness
- Creating value

Journal of Organizational Effectiveness: People and Performance



Existing research

Driving performance in contexts such as:

- In meetings
- In knowledge work
- In virtual or remote teams

Effective management practice, e.g.

- Goal-setting
- Feedback
- Incentives & recognition
- Job design (demands, resources, autonomy etc)

Underlying factors driving motivation, e.g.

- Social exchange
- Social identity
- Self-determination
- Self-regulation

Traits influencing performance, e.g.

- Trust and psychological safety
- Employee resilience
- Work engagement, commitment, organisational identification



Psychological safety

It's okay, I've got you.



What is psychological safety?

1965 Edgar Schein and Warren Bennis

1990s Amy Edmondson

‘a shared belief ... that the team is safe for interpersonal risk taking’:

- Neither ‘a careless sense of permissiveness’, nor ‘unrelenting positivity’.
- Confidence that there is ‘mutual respect and trust’ & ‘the team will not embarrass, reject, or punish’ those who speak up or take risks.
- Usually tacit, not explicit.

Edmondson, 1999

What *isn't* psychological safety?

In a recent survey of HR directors :

- 44% thought psychological safety was “*an environment where employees feel secure and protected*”
- 22% thought it was employees “*bringing their whole selves to work*”

Only 16% got it right ...

Stefan Stern (2024) *How to save HR from itself*. Financial Times, 26 Feb.

Outcomes associated with psychological safety

Effect sizes on outcomes:

Psychological safety	Trust
Individual attitudes, eg: <ul style="list-style-type: none"> Satisfaction ●●●○○ Commitment ●●●○○ Work engagement ●●●○○ 	<ul style="list-style-type: none"> Team learning ●●●●●
Team dynamics, eg <ul style="list-style-type: none"> Information sharing ●●●○○ Cohesion ●●●●○ Support ●●●○○ 	<ul style="list-style-type: none"> Information sharing ●●●●● Cohesion ●●●●●
Performance: <ul style="list-style-type: none"> Task perf ●●●○○ Contextual perf ●●●○○ Innovation ●●●○○ 	<ul style="list-style-type: none"> Task perf ●●●○○ Contextual perf ●●●●○ Innovation ●●●○○

Cohen's rule of thumb for effect sizes: **large** ●●●●○ = anyone can easily see the difference; **moderate** ●●●○○ = visible to the naked eye of an expert or careful observer; **small** ●●○○○ = difference needs to be measured to be detected

Source: Wietrak, E. and Gifford, J. (2024) *Trust and psychological safety: An evidence review*. London: CIPD



Factors that influence psychological safety

- 'Trust climate' (limited evidence; stronger on e.g. innovation climate, learning climate)
- Leadership & people management (e.g. empowerment, mastery goals)
- Fairness, respect & conflict management
- Tenure (not a linear relationship) and team building
- Personal characteristics (esp. trust propensity)

make in which people are not hindered by INTERPERSONAL FEAR
 CANDOR IS ALLOWED AND EXPECTED
PSYCHOLOGICAL SAFETY
 CAN YOU SPEAK UP, SHARE CONCERNS, ASK QUESTIONS?
 HOW MUCH PEOPLE LIVE
 THE JOB OF LEADERS IS TO MAKE THE
 LEARNING ENGAGEMENT PERFORMANCE
 A LACK OF CAN CREATE THE ILLUSION OF SUCCESS, BUT EVENTUALLY SERIOUS BUSINESS FAILURES RESULT.
 CANDOR
 talent also is not ENOUGH

PSYCHOLOGICAL SAFETY

WHAT IS 'PSYCHOLOGICAL SAFETY?'



The importance of psychological safety



Harvard Business Review

What Psychological Safety Looks Like in a Hybrid Workplace

by Amy C. Edmondson and Mark Mortensen
 April 19, 2021



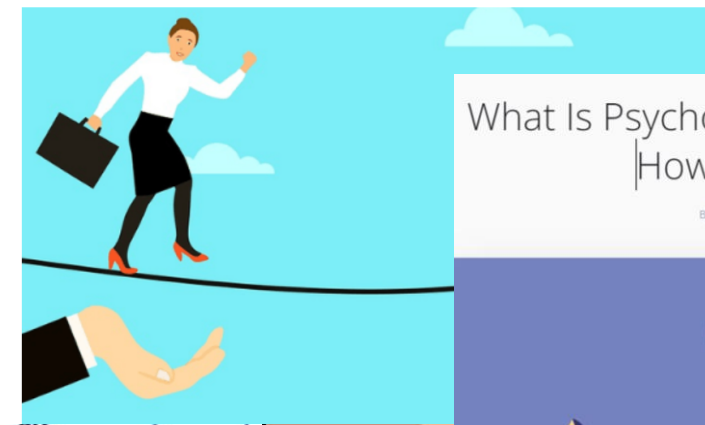
HR must build psychological safety so employees feel safe speaking up



How some companies are fostering psychological safety at work

Companies such as Google and Microsoft have found that psychological safety is the key ingredients in creating high-performing teams

Read 7020 Times
 By Kartikay Kashyap | HRKatha - April 4, 2022



People Management

News Employment law Opinion Features People Magazine PM Jobs More

How to foster psychological safety in remote teams

Trust and communication are even more important where staff are physically separated from each other, says Alistair Shepherd

by Alistair Shepherd 16 March 2020



Research shows that stress in a business may contribute up to:

- costs
- costs
- safety incidents
- costs
- related lawsuits

HEALTH IMPACTS OF STRESS

Stress carries several negative health consequences, including heart disease, stroke, high blood pressure, as well as immune and circulatory complications.

1 out of 5 people will experience a mental disorder over the course of their lifetime

HRZone

Management: how to create a psychologically safe environment at work

by Angus Ridgway
 9th Oct 2018



What Is Psychological Safety at Work? How to Achieve it

By Kat Boogaard, August 18, 2021



When businesses adopt policies and programs to address psychological safety and health, they incur 15% to 33% fewer costs related to

**But what does employee performance look like?
What is its nature? And how do we measure it?**



Three types of employee performance

1 Task performance

- aka in-role, work-role or job performance
- Execution of specific job activities ...
- ... or how they are executed (processes or behaviours)
- Can be straightforward & clear or complex & multifaceted
- Tied to results & organisation KPIs
- Measures usually job specific, but generalised scales available

2 Contextual performance

- aka organisational citizenship behaviour (OCB) or extra-role performance
- Voluntary activity that contributes to organisational effectiveness or supports colleagues
- Scales available to measure (generic focus)

Three types of employee performance

3 Adaptive performance

- Ability to adapt to unexpected change (flexibility, agility, innovation)
- e.g. handling a crisis, creative problem solving, learning new procedures, improving ways of working, supporting change initiatives
- Generic scales available & included in some task performance measures

Getting to grips with performance

Complexities & considerations in employee performance

- What do you need to know?
Task, contextual & adaptive performance are not interchangeable ... although they can overlap!
- Defining & measuring performance in complex jobs is complex!
- Can you convincingly pin down outcomes or results ... or are behaviours & processes better to focus on as a proxy?
- Measurement is a science: respect it!
- Objective & subjective measures can both be useful ... but are not interchangeable
- Be careful what you measure & leverage ... and what you don't: unintended consequences of being too narrow
- How should you talk about performance? 'Task', 'contextual' and 'adaptive' may not be the right terms

This is HR's terrain! Can we take a lead on the people dynamics of performance?



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What's next?

Performance-led HR: an agenda

- 1 Evidence reviews to plug the gaps
e.g. performance in hybrid work; how to strengthen social cohesion.

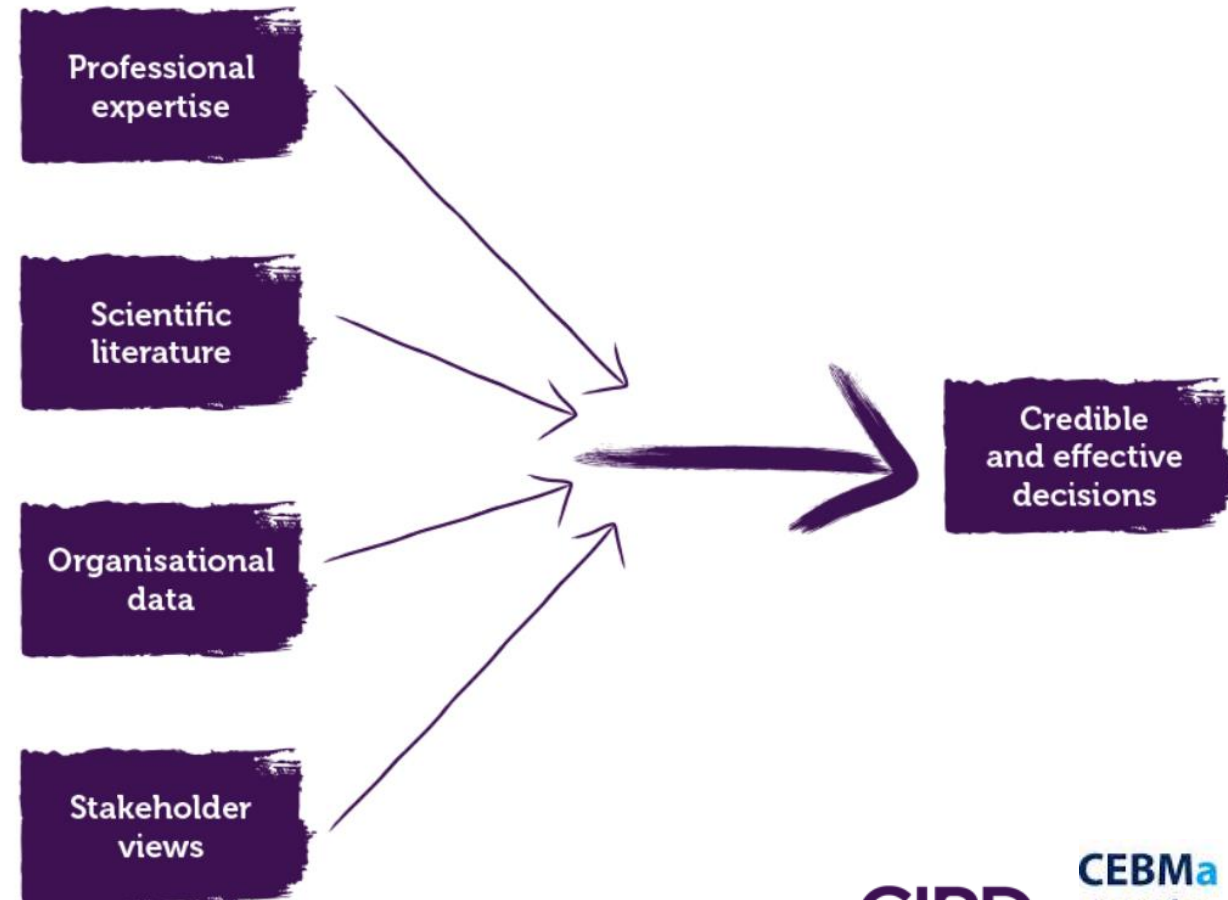
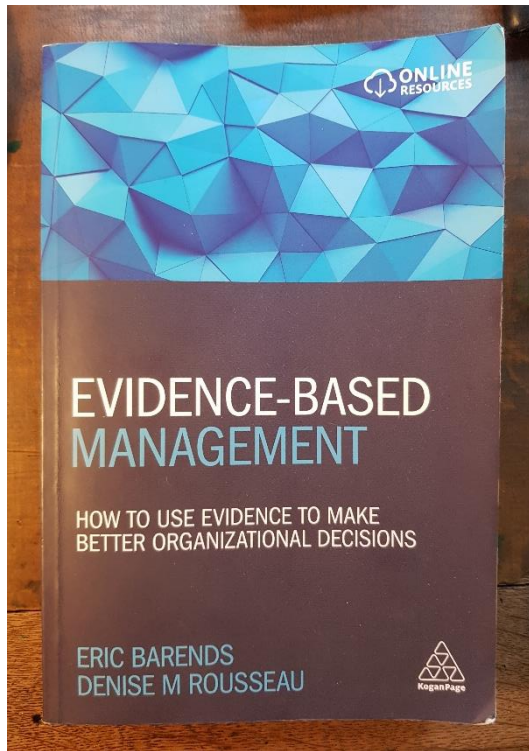
Performance-led HR: an agenda

- 1** Evidence reviews to plug the gaps
e.g. performance in hybrid work; how to strengthen social cohesion.
- 2** Define & understand performance in individual jobs & teams
What employee performance looks like & how it drives organisation KPIs.

Performance-led HR: an agenda

- 1** Evidence reviews to plug the gaps
e.g. performance in hybrid work; how to strengthen social cohesion.
- 2** Define & understand performance in individual jobs & teams
What employee performance looks like & how it drives organisation KPIs.
- 3** An overarching, systems view of performance-led HR
The fundamentals. Holistic, recognising interdependence, not isolated practices.

Four sources of evidence



CIPD

CEBMa
center for
Evidence-Based Management



Performance-led HR: an agenda

- 1** Evidence reviews to plug the gaps
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- 2** Define & understand performance in individual jobs & teams
What employee performance looks like & how it drives organisation KPIs.
- 3** An overarching, systems view of performance-led HR
The fundamentals. Holistic, recognising interdependence, not isolated practices.
- 4** Evidence-based workshops & collaboration
Combine expertise, published research, organisational data & stakeholder views.

Questions to consider

Questions for you:

- What does HR talk about when it talks about performance?
- How does your organisation understand employee & team performance? ... and measure it?
- What are your knowledge gaps in defining / measuring / improving performance? How can we help?



Questions for us?



Thank you

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Extra slides



CIPD evidence reviews relating to performance

CIPD Member access via links and at cipd.co.uk/evidence

- [People performance: components, measures & drivers](#)
- [High-performing teams](#)
- [Knowledge work performance](#)
- [Productive meetings](#)
- [Developing effective virtual teams](#)
- [Effective people managers](#)
- [Performance management: goal setting & appraisal](#)
- [Performance feedback](#)
- [Incentives and recognition](#)
- [Employee resilience](#)
- [Employee engagement, commitment, organisational identification & motivation](#)
- [Trust and psychological safety](#)