

Is There A Good Substitution *For* Individual Performance Appraisals?

Types (“Versions”) of Human Motivation
Maturity of Human Relationships and Organizations (“Tribes”)
Influence on Motivation on Organizational (“Tribal”) Maturity

Two Writers, Two Great Books, Two Independent Researches.....United by Agile Thinking

In **"Tribal Leadership" by David Logan**: Tribe - group between 20 and 150 people (150- from Robin Dunbar's research, popularized in Malcolm Gladwell's 'The Tipping Point'). Tribe is a basic building block of any large human effort, including earning a living. Tribes and Their leaders create each other. People that belong to each tribe tend to recognize each other easily. A small company is a tribe. A large company is a tribe of tribes. At large company, several cultural stages may operate at the same time. Tribal Leadership focuses on language and behavior within a culture. The person at Stage 3 is connected to others in a series of dyadic (2-person) relationships. The person at Stage 4 is connected to others in a series of triadic (3-person), where they build value-based relationships between others.

In **"Drive" by Daniel Pink**: When it comes to motivation, there's a gap between what science knows and what business does. Our current business operating system— which is built around external, carrot-and-stick motivators— doesn't work and often does harm. We need an upgrade. And the science shows the way. This new approach has three essential elements: (1) Autonomy— the desire to direct our own lives; (2) Mastery— the urge to make progress and get better at something that matters; and (3) Purpose— the yearning to do what we do in the service of something larger than ourselves.

Motivation 1.0

- Presumes that humans were biological creatures, struggling to obtain our basic needs for food, security and sex.
- Good for **survival** struggles

Psychologists Who Studied It:

Harry Harlow
Edward Deci
Winslow Taylor
Abraham Maslow
Ryan Deci
Mihaly Csikszentmihalyi
Mark Lepper
Alfie Kohn
Karl Duncker
Sam Glucksberg
Meyer Friedman
Ray Rosenman
Cali Ressler
Jody Thompson

Business Thinkers Who Get It:

Peter F. Ducker
Jim Collins
W. Edward Deming
Frederick Herzberg
Jim Collins
Cali Ressler
Jody Thomson
Gary Hamel

Motivation 2.0

- Rests on **Theory X** of Human Motivation, when management assumes that employees are lazy and will avoid work if they can as they dislike work

- Presumes that humans also responded to rewards and punishments in their environment
- Requires **Compliance**

- Believes in **Carrots & Sticks** that bring **7 deadly flaws**: (1)extinguish intrinsic motivation, (2)diminish performance, (3)crush creativity, (4)crowd out good behavior, (5)encourage cheating, shortcuts, and unethical behavior, (6)become addictive, (7)foster short-term thinking.

- Assumes, medically defined, **Type A** personality behavior was first described as a potential risk factor for heart disease, as people are more ambitious, rigidly organized, highly status conscious, sensitive, take on more than they can handle, obsessed with time management.

- Based on **Extrinsic** motivation that brings profits, anxiety, depression and fuels **Type X Behavior**, which is:

- Lead to problems as goals (sales targets, quarterly returns, standardized test scores) as set for people: systematic problems for organizations due to narrowed focus, unethical behavior, increased risk taking, decreased cooperation, and decreased intrinsic motivation. Use care when applying goals in your organization."

- Good for **Algorithmic** tasks, which follow a set of established instructions down a single pathway to one conclusion.

- Assumes that "Rewarding an activity will get you more of it. Punishing an activity will get you less of it."

- "If-then" rewards offered as contingencies (reduce the depth of our thinking) —as in, "If you do this, then you'll get that."

- "Now that" rewards that are somewhere less harmful and offered after a task has been completed— as in "Now that you've done such a great job, let's acknowledge the achievement."

Motivation 3.0

- Rests on **Theory Y** of Human Motivation, when management assumes employees that are ambitious, self-motivated and exercise self-control.

- Presumes that humans seek purpose maximization, no less than profit maximization a guiding principle
- Requires **Engagement**

- Supports **ROWE (Results Only Working Environment)**, characterized by much lower turnover of resources

- Assumes, medically defined, **Type B** personality behavior that leads to lower stress level and typically work steadily, enjoying achievement but not becoming stressed when they do not achieve
- Bring about success as goals are set by people for themselves and that are devoted to attaining mastery are usually healthy

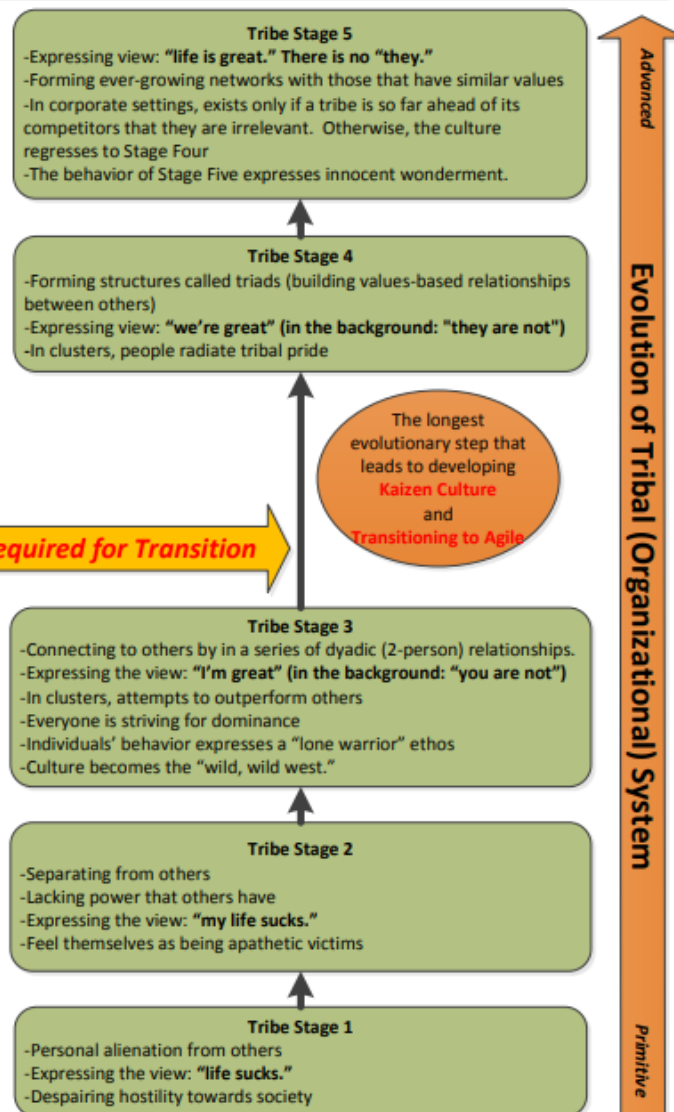
- Based on **Intrinsic** motivation that brings purpose maximization, stronger performance and fuels **Type I Behavior**, which is good for long-term goals, renewable resource, does not disdain money or recognition, is both born and made, promotes greater physical and mental well-being.

- Goldilocks tasks**: The sweet spot where tasks are neither too easy nor too hard. Essential to reaching the state of "flow" and to achieving mastery.

- Good for **Heuristic** tasks, which has no algorithm and require experimenting with Possibilities/devise a novel solution.

- Brings out in people:
Autonomy (Ancient Greek: αὐτονομία autonomia from αὐτο- auto- "self" + νόμος nomos, "law", hence when combined understood to mean "one who gives oneself one's own law").

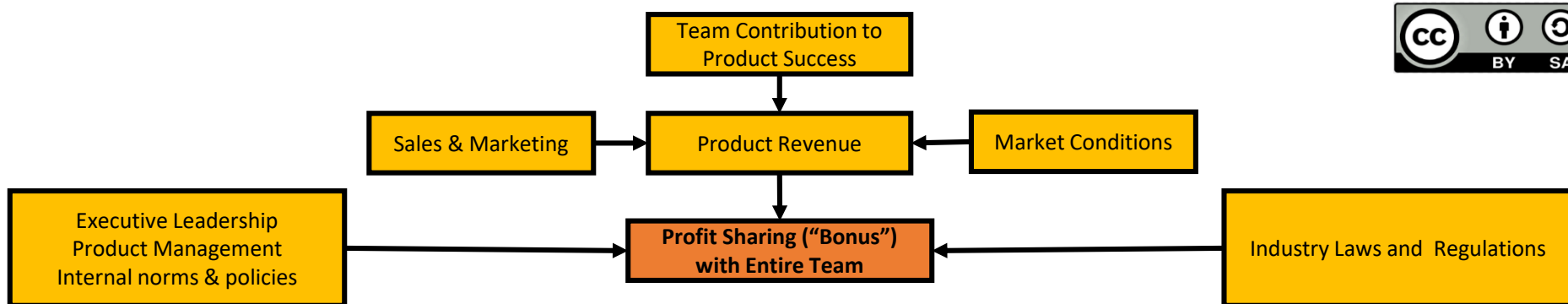
- Mastery** (A skill is the learned ability to carry out a task with pre-determined results often within a given amount of time, energy, or both) and
Purpose (the reason for which something is done or created or for which something exists)



Primitive

Evolution of Human Operating System

Advanced



Approach 1

Bonuses Are Equally Allocated

Case:

- Team has 5 members: A, B, C, D, E
- Salaries of team members are comparable
- Team gets a \$1000 incentive
- Each team member gets \$200 (\$1000/5)

Note: This option is ideal for comparably compensated, highly skilled, full-stack, c/f developers that are on par with one another, hierarchically. Internal competition is minimal or does not exist. Everyone has a shared goal and vision. Career development paths *do not* create a conflict of interest.

There are no *subjective factors* that influence decision making, with respect to allocation of bonuses. Bonuses are calculated based on a simple mathematical formula.

Approach 2

Bonuses Are Allocated, Proportionally to Base Salary

Case:

- Team has 5 members: A, B, C, D, E
- Salaries of team members are *not* comparable
- Team's Total Salary = sum of all team members' salaries
- Team Member Allocation Factor (%)** = Team Member's Salary / Team's Total Salary
- E.g. If Team's Total bonus = **\$1000**, then team member A bonus = \$1000 * **Team Member (A) Allocation Factor**

Note: This option can work when team members are *not* comparably compensated (e.g. junior and senior people) and are on different trajectories/points of their career progression.

There are no *subjective factors* that influence decision making, with respect to allocation of bonuses. Bonuses are calculated based on a simple mathematical formula.

Approach 3

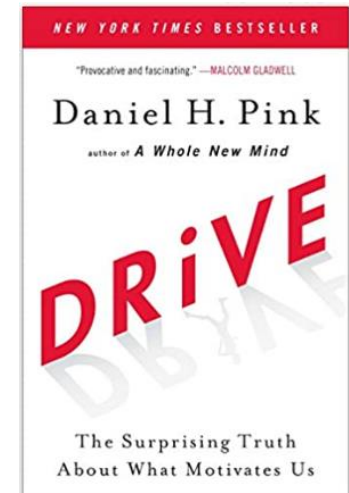
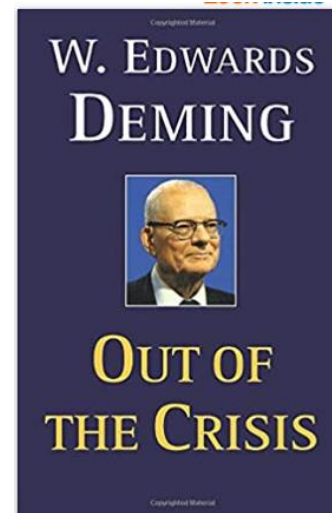
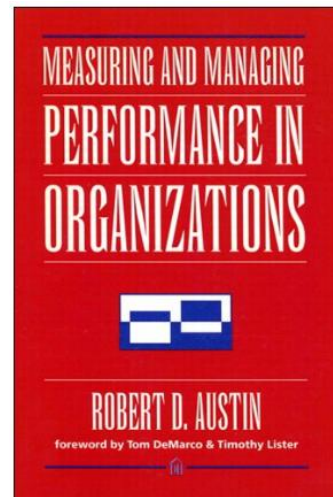
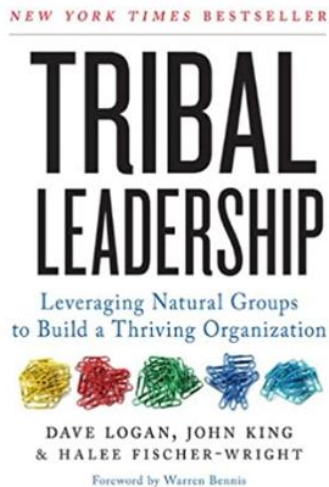
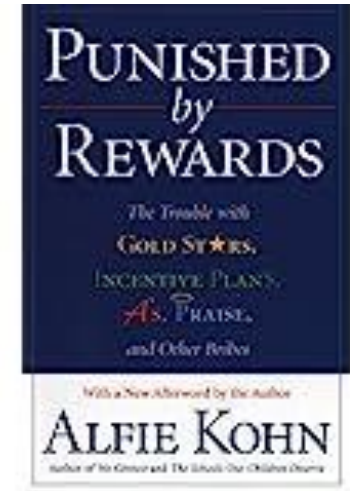
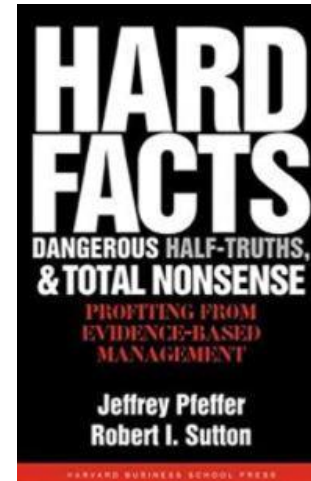
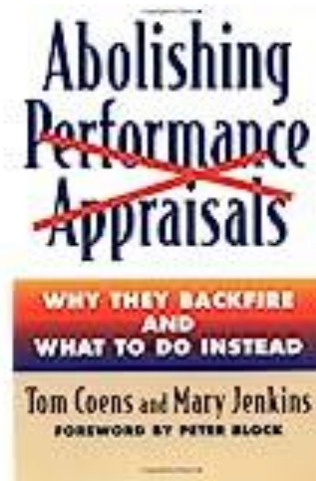
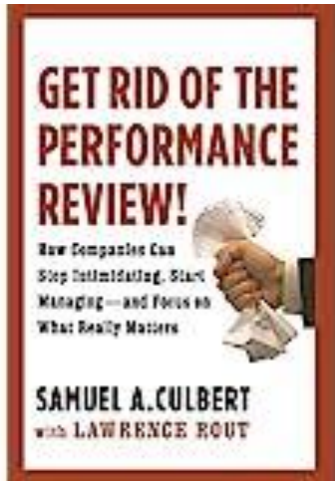
Bonuses Are Allocated, Based on Team's Internal Confidential Voting

Case:

- Team has 5 members: A, B, C, D, E
- Salaries of team members are *not* comparable but Team's Total Salary – is *irrelevant*
- Periodically (e.g. once a month), a team has voting sessions where each team member gets an equal number of *arbitrary points of performance* that could be *single-blindly* assigned to anyone else on a team (other than oneself), based on perceived (by assignee) performance of that individual.
- At the end of a full cycle (e.g. year) each team member's earned *arbitrary points of performance* are counted. An overall number of team's arbitrary points of performance are counted, by adding up individual ones.
- Then, the former (above) is divided by the latter (above) to derive **Team Member Allocation Factor (%)**, described in Approach 2.

Note: This approach introduces the element of *individual bias* and, potentially, *reciprocal conspiring agreements*, when, e.g. team member A and B mutually agree to assign to each other all of their points. Therefore, a high level intellectual maturity and personal integrity are required from team members. This approach is best for self-organized and self-managed teams.

References



References

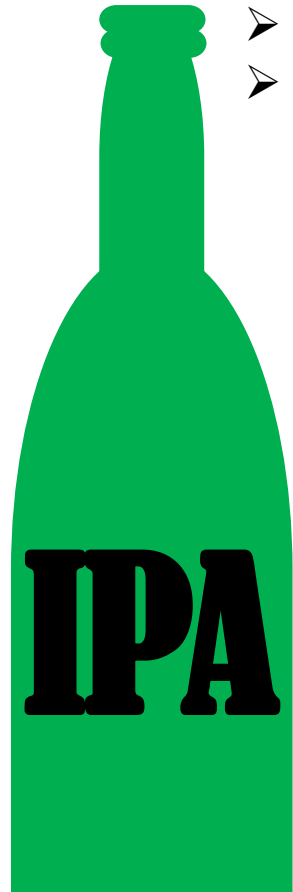
It could be:

- Thirst-relieving
- Indulging
- Refreshing
- Smoothening
- Relationships-building

or

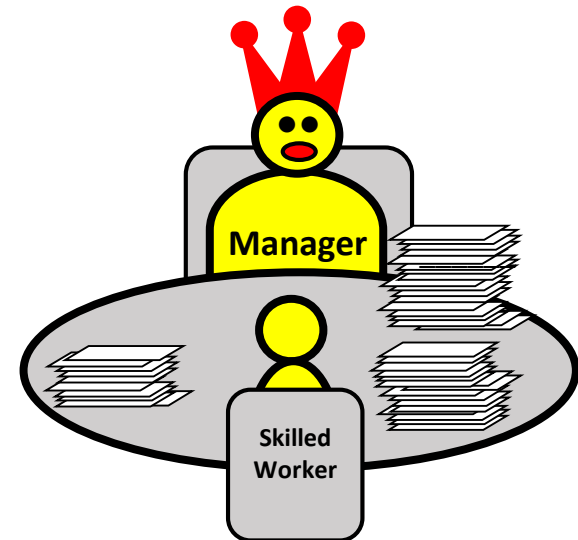
It could be:

- Threatening
- Demoralizing/Humiliating
- Leading to System Gaming
- Tension-building
- Relationships-destroying



***“You can only elevate
individual performance by
elevating that
of the entire
system”***

W. Edwards Deming



Individual
Performance
Appraisal