

Department of Human Resource Management

University of Strathclyde Business School

Performance Management – the ‘not so new’ workplace tyranny

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Origins of Report – STUC Motion

- CWU *and* Unite the Union (Finance Sector)
- Workers subject to new forms of Performance Management (PM)...causing mental-ill health?
- Nothing on PM's effect on workers – original research
- 31 interviews with stewards, H&S reps and officers
- 24 union conferences, seminars and briefings
- Union respondents as the ‘*mechanism experts*’
- Extensive company documentation
- Robust report in terms of evidence sources

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Introduction

- In tandem with ConDems’ onslaught on worker rights a managerial *offensive* on the work ‘front-line’
- 5 years since crash and crisis of neo-liberalism => austerity, privatisation frenzy, dismantlement of welfare, unemployment, cuts
- Offensive has at least three integrated elements:
 - Performance Management**
 - Lean Working**
 - Sickness Absence Management**
- Convergence - white-collar workers *and* manual workers *and* technical workers *and* professionals
- Excluded from official view – ‘*low hazard workplaces*’

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Employers’ Cost Reduction Strategies ‘STAR’

The diagram illustrates four cost reduction strategies arranged in a square, connected by red arrows pointing outwards from the center:

- Outsourcing/Offshoring
- Reduced Terms and Conditions
- Automation
- Work Intensification, Lean, PM and SAP

Lean, Performance Management and Work Intensification

- Most important from the perspective of unions, their members - those 'survivors' of the job cull
- Integrated managerial offensive that is squeezing increasing effort out of workers
- Cost-cutting strategies are being translated into an unprecedented **intensification of work**
- Restructuring, re-engineering 'lean', creative synergies
- Equivalent or larger volumes of work being done with the same or - more likely - smaller workforces
- Sheer intensity of labour during shifts – porosity of day

1) Lean Working

- Core thesis – organisations which strip out waste gain significant quality and efficiency advantages = Toyota
- Rhetoric of multi-skilling, task enlargement, worker participation in *kaizen* (Womack et al, 1990)
- Lean's claim to remove mind-numbing stress with 'creative stress' - *work smarter, not harder* mantra
- Yet workers' experiences in autos (Stewart et al, 2009)
 - tighter supervisory control - narrow tasking
 - job stress - managerial bullying - lack of voice
 - 'traffic lights' – workers on the edge
- 'Consultemics' applying lean **efficiency** savings to public sector, FS, NHS, HE etc. (Radnor, 2010)

- In HMRC lean created a brutal form of Taylorism
- After Lean 95% say work 'very'/'quite' pressurised
- Pressure had increased 'a great deal' – 76%

'After 27 years in the Inland Revenue following the introduction of lean, I am now deskilled, de-motivated [and] stressed-out most days, afraid to be sick, feel unappreciated, provide a poor service for customers, am not allowed to voice my opinion, looking forward to the day I can leave for good'. (HMRC Officer, Cardiff)

- Statistical relationship between work intensity, time spent at work station, coming to work ill and frequency of symptoms (Carter et al, 2013)

Ill-health Symptoms and Time at Work Station

	% of time at work station		
	<85%	85-95%	>95%
	<i>Daily/several times a week</i>		
Mental fatigue***	47	42	62
Physical tiredness***	45	43	62
Stiff shoulders	28	38	45
Stiff neck**	29	38	47
Stress**	31	33	42
Backache*	25	32	44
Headaches	21	26	33
Pain/numbness in arms/wrists*	17	24	31
Eyesight problems*	15	19	29
Blocked nose**	5.0	15	22

Almost half spend more than 95% of time at work station



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2) Performance Management

- Measurement of performance central to management
- Alignment of individual with organisational objectives
- HRM textbooks are Orwellian - 'Agreed', 'shared', 'mutual expectations', 'dialogue', 'support', 'guidance'

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graph TD
    A((Planning Performance)) --> B((Supporting Performance))
    B --> C((Reviewing Performance))
    C --> A
  
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- Performance Management historically synonymous with Performance Appraisal- an 'annual ritual'
- Whether PAs were/are annual or 6-monthly always a problem with subjectivity – who decides?
- Managing underperformance '*a positive process*' according to texts e.g. Armstrong 2009
- PM now not periodic and retrospective, but continuous, backward looking *and* forward looking and with a serious shift to *disciplinary* purpose
- Performance Improvement, PIPs, Managing Performance, PIMs, IIPs – the real bite in PM

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- Micro-measurement and micro-management of individual performance – facilitated by technologies
- **Quantitative** outputs and targets – AHTs, CHTs etc.
- **KPIs, SLAs** – determined at the top, 'cascade down' through tiers of managers, to TLs and then workers
- Removing the discretion of the FLM – tight links in the chain of command – '*nothing to do with me*'
- Managers themselves given targets for the numbers of 'managed exits', underperformers, SAP actions etc.
- What is bullying? Is it 1-1 relationships or systemic?
- Even the so-called measurables are 'pseudo-science' - parameters and definitions set by management

The 6 Stages of Performance Management

1. First Day at Work

You Listen to Sweet Soul Music

Everything is Wonderful



The 6 Stages of Performance Management

2. After 3 Months- Targets Get Hiked Up

You Listen to Motörhead

You Have No idea If You Are Coming or Going



The 6 Stages of Performance Management

3. After 9 Months – You Are An Underperformer

You Listen to Napalm Death

Your Day Starts at 8:00 and Ends at 20.00

You Go Mental



The 6 Stages of Performance Management

4. After 12 Months – You Are Put on a PIP

You Listen to Hip Hop

You Are Passive/Aggressive Most of the Time

You Put on Weight – You Are Stressed



The 6 Stages of Performance Management

5. After 15 Months – You Are Given a Warning

You Listen to Gangsta Rap

Your Have Seriously Considered Gunning Down Your Team Leaders

You Fall From Bed Every Day

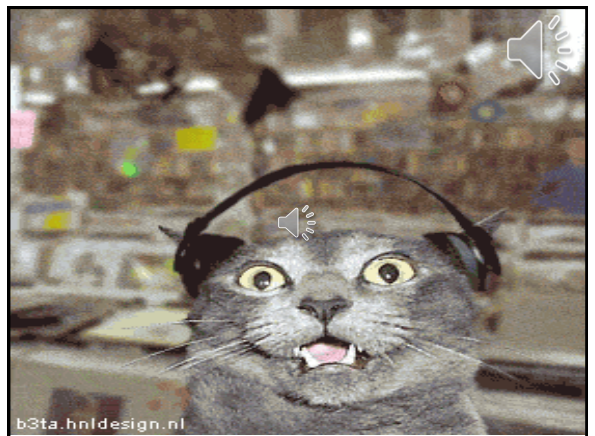
You Live on Chips and Caffeine



The 6 Stages of Performance Management

6. After 18 Months – You Listen to LMFAO

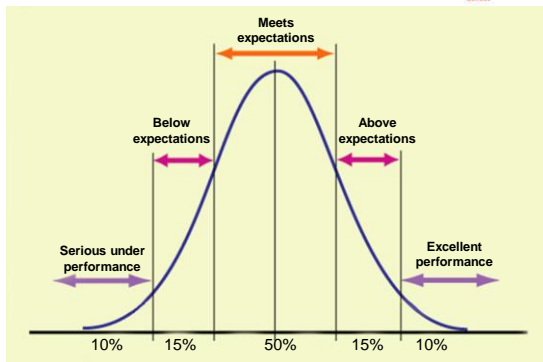
You Have Totally Lost It



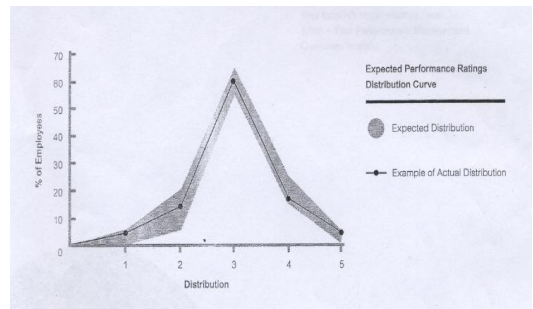
- Management obsession with ‘measurables’, ‘metrics’, ‘deliverables’, ‘metrics’, ‘stats’, ‘MIS’
- **Quantitative** measures are strictly imposed
- Targets first systemically used in contact centres then spread to the back office and more widely
- HMRC– 6 tax cases an hour, 80 for opening letters
- BT engineers – tightly timed jobs, monitoring
- Universities – workload models, ‘dashboards’, REF
- Pre-dated the crisis but accelerated by it
- ‘The new normal’ of ‘doing more with less’

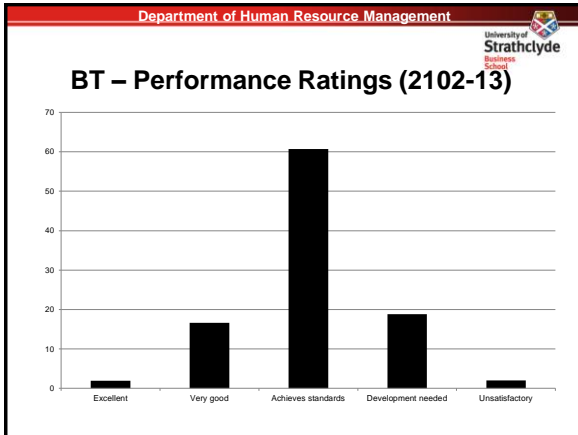
- **Qualitative** behaviours, attitudes and traits
- In one finance sector company there were 13 ‘measurable’ quality criteria including –
‘delight the customer’, ‘speaks up’, ‘shares ideas’
‘Do what is right for the customer, community and organisation, putting aside own agenda’
‘Act like the owners of the business...’
‘having heart’ ‘achieving excellence’, building trust’
- Greater room for **subjectivity** and ulterior motives
- *‘leaves people vulnerable to the whim of a supervisor’*
 (Telecoms Regional Officer)

The Performance Management Bell Curve



Bank A – Expected Performance Ratings





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- ‘The language is specific, “*You have not achieved, you are an underachiever*”’.
 - Widespread discontent but still developing formal ‘grievances’ over rankings or ratings
 - Moving goalposts e.g. 1s and 2s as underperformers
 - ‘Round table process’ or ‘calibration’ to prevent FLMS inflating scores – fixed pot of money
 - Speed of ‘managing out’ underperformers - 6 weeks
 - Ethnicity, age, part-time and disability discriminations
 - Scale of intimidation – in one bank 10% on actions
 - ‘War for Talent’ (Michaels *et al*, 1997) – get rid of 10%

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‘There was quite a sinister practice that we were to use – the car-park conversation. A manager would be expected to take an employee, who had received poor performance score, outside for an informal discussion. The manager would then start a conversation along the lines of, ‘You know your last review. It’s only going one way, isn’t it? You should perhaps think about coming to an arrangement’. It was important that the manager would never make any explicit suggestion that the worker should leave. We were given training in how to conduct these conversations; a one-day course on employee relations for HR managers, where we would go through the best mechanisms for ensuring that an employee would voluntarily suggest a compromise agreement’. (Ex-HR Manager, BT)

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Consequences for Workers

‘If your name is up on the whiteboard, you’ll have emails going saying who is performing badly and who is performing well, who is red, who is amber, who is green, that kind of thing, so the pressure is very intense and it really does affect people badly’ (Bank A, National Officer)

‘There is a culture in our workplace of managers using extreme, derogatory language. Don’t get me wrong, there are decent ones, but they are overshadowed by the aggressive ones...downright nasty, horrible stuff – ‘*bottom feeders*’ for those on the lowest rankings’ (Rep)

Sickness Absence Management

- Public discourse that malingering is endemic in 'sick note Britain', swinging the lead' or 'duvet days'
'At a direct cost of £17bn, absence remains a significant burden on the UK economy...particular concern in the public sector, where absence levels remain substantially higher (CBI)
- Focus on - *short-term absences* – associated with 'sickies' + *long-term sickness*
- Aim to reduce sickness absence to acceptable (i.e. negligible) levels
- Raft of prescriptive measures introduced for when workers go sick *plus* metrics, scores and triggers
- Bradford factor – penalises short-term sickness, gender

- Yet, sickness absence historically low – 8.5 days in 1998 and 6.5 days in 2011 (CBI)
- 'Sickies' linked to weekends/sport is largely myth
Public sector explained by age, gender etc. (HSE)
- **Presenteeism** a main trend and problem (CIPD, 2012)
- Strict sickness absence policies and practices
- Studies over 15 years show increase in coming to work when ill, because of SAP, fearful of discipline
- Exacerbates the problem (Taylor *et al*, 2010)
- Glasgow City Council study – Unison reps spend 46% of time on sickness absence cases
- *'I had my first cancer'* – HR Manager from LA

Conclusion

- Punitive PM and SAPs are short-termist but are driven by the capitalist cost-cutting imperative
- Opposition at different levels
- Business/soft-HRM case – huge commitment of managers' time with questionable outcomes
- The Bell curve to be rejected as inapplicable to employee performance – in principle and practice
- Potentially discriminatory – DDA, Equality and Age – conduct audits of rankings by gender, age, status
- Unions – at workplace level – actively challenge unfair rankings, before the event as well as after

- *Appeal, appeal, appeal* – break the culture of people individualising their scores/ranks
- H&S and stress audits can be an organisational tool – working conditions and ill-health inseparable
- Broader opposition to Beecroft, protected conversations and erosion of employment rights
- Public exposure of the worst cases of *'new tyranny in the contemporary workplace'* – name and shame
- National level - CWU and industrial action
- Opportunities for organising and recruiting in unionised and non-unionised environments

The Vicious Circle

