THE CONFERENCE BOARD REVIEW

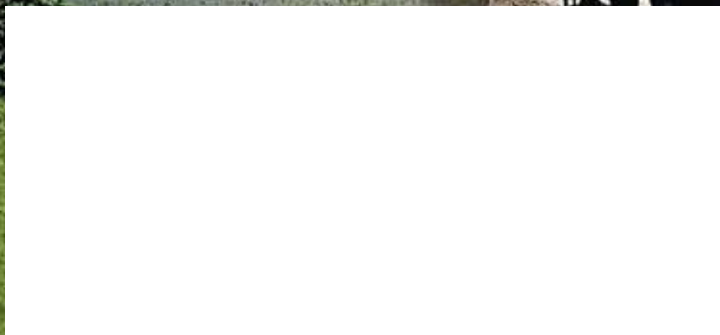IDEAS AND OPINIONS FOR THE WORLD'S BUSINESS LEADERS

WHO INSIDE YOUR COMPANY IS HOLDING YOU ACCOUNTABLE?

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DO YOU OFFER ALL YOUR PEOPLE THE EXACT SAME HR BENEFITS?

PERFORMANCE ANXIETY

YOUR PEOPLE ARE INSECURE. WHAT ARE YOU GOING TO DO ABOUT IT?

THE CONFERENCE BOARD

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PERFORMANCE anxiety

BY VADIM LIBERMAN

YOUR PEOPLE ARE INSECURE. WHAT ARE YOU GOING TO DO ABOUT IT?

IT'S HARD TO DO YOUR BEST WORK, TO BE TRULY ENGAGED, WHEN YOU'RE FEELING INSECURE. AND YOUR PEOPLE *DO* FEEL INSECURE.
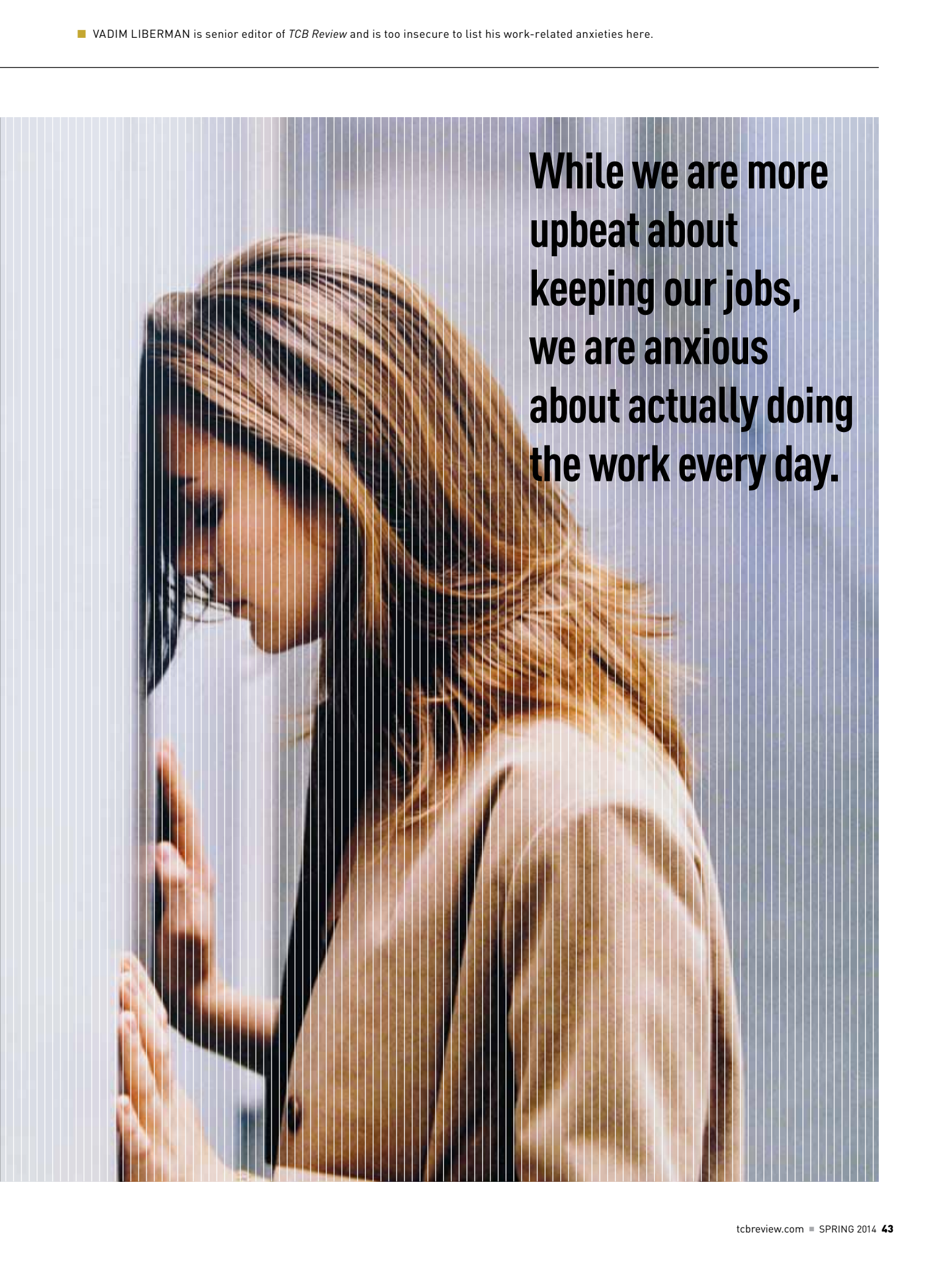
This apprehension isn't necessarily the kind you might assume, though. For years, workers felt—justifiably—as though their companies treated them as disposable. Not so much anymore. Three-quarters of us feel secure keeping our jobs, according to a recent report by staffing and recruiting firm Randstad. Nowadays, we don't worry as much that today might be our last in the office. (Even if it is, we're more optimistic that a first day awaits us elsewhere.)

"There's been an alleviation of a lot of economically driven pressure on employees and an uptick in confidence in the job market," says Ken Oehler, global engagement practice leader at Aon Hewitt, "but by no means do employees feel like they're out of the woods."

Why not? What's lurking in the woods?

Serpentine branches of frustration, confusion, tension, and stress—that's what. They strangle our confidence so that while we are more upbeat about keeping our jobs, we are anxious about actually *doing the work every day.* Because the scope of our jobs keeps shifting and expanding, we endlessly fret about and grapple with the what, where, when, how, and even why of our work. More responsibilities—both new and old—and less time to do them, lack of organizational and job clarity, and emerging IT challenges often leave our heads spinning and throbbing. Forget about work/life balance; we can't even find balance at work—with so much coming at us, it's hard to focus on doing a good job.

Call it performance anxiety.

■ VADIM LIBERMAN is senior editor of *TCB Review* and is too insecure to list his work-related anxieties here.

While we are more upbeat about keeping our jobs, we are anxious about actually doing the work every day.

The belief—the hope—that we would feel significantly better about our work selves once we stopped panicking about our next paychecks was just that. Maybe the darker threat to security never was a pink slip. External forces concerning financial markets, political uncertainty, regulations, competition—all beyond an organization's, let alone an employee's, control—don't unsettle workers nearly as much as various wrecking balls that businesses swing internally.

Buried in the comments section of an hrbartender.com blog post, the Hay Group's Mark Royal and Tom Agnew, authors of *The Enemy of Engagement*, get straight to the point. They write: "In our view, there is a silent killer lurking in many companies. We're talking about workplace frustration, which can undermine the energy, enthusiasm, and performance of your best talent. . . . We're not referring to demotivated or turned off employees. That group is likely to be too checked out to experience personal stress or conflict over their inability to get things done. Rather, we're talking about employees who are engaged with goals and objectives and enthusiastic about making a difference—but are held back by jobs that do not suit them or work environments that get in their way."

"Insecurity doing a job can lead you into a death spiral," adds Gary Magenta, senior VP at Root Inc., a management consultancy. "When you're under stress, you make decisions in haste, being reactive instead of proactive. It's an absolute barrier to job performance." Indeed, insecurity negatively correlates with turnover, creativity, innovation, beneficial risk-taking, productivity, happiness, satisfaction, engagement, and profitability. (Granted, causal links remain blurry, partly because even the best minds—yes, including the one penning this article—often use, misuse, and confuse notions such as happiness and engagement. Slipping these variables—bloated by as many definitions as there are consultancies—into equations between insecurity and performance only further muddies the issue.)

Now, we can have academic debates about whether stress leads to poor performance or vice versa. Or we can forget chickens and eggs, while Neil Morrison, group HR director for U.K. and International Companies at Penguin Random House, sums it up best: "Insecurity leads to more insecurity." And if you need a research report to prove that the feeling of not being able to do your job competently is bad for business, you have scarier problems plaguing you.

ROLLS OF ROLES

Dispirited with their place in an organization, some people fear not losing but *keeping* their jobs. "When a company is not successful, or if people are in roles that don't fit them, if you don't reorganize, the implication is that you're reticent to do what needs to be done, which creates a sense of insecurity," says Jim Link, Randstad North America's managing director of HR. "Inaction can drive fear as much as action."

True, but maybe there's been too much action. Since the 1990s, companies have regularly reshuffled their structure and workforce: adding, subtracting, dividing, or multiplying departments, jobs, and tasks, and frequently leaving workers uncertain about where they fit into the latest equation.

"Often, whenever there's something new that gets management's attention—a new book, a new technology—it gets acted on," says management consultant Russell Bishop. "What rarely happens is a not-very-sophisticated but important analysis where you ask, 'What should we start doing? What should we stop doing? What should we continue doing?' People feel overwhelmed by all the pieces of work, many of which may no longer have value."

"Reorgs are often based on whims," adds Peter Cappelli, the Wharton's School's George W. Taylor Professor of Management. "Even if they do something useful in the longer term, they disrupt lines of communication and innovation; they inhibit getting work done. It's unfortunate that there is no evidence that what employers are doing even helps their organizations." The frequent shifts have left many companies on shaky ground: According to Gallup, 41 percent of American workers say they don't know what their employer stands for and what differentiates its brand from others.

Sure, change is tough on people. But change is rarely the problem—change management is. In other words, the issue is management.

"In a lot of cases, companies don't think things through, which leads to confusion and lack of clarity of expectations," says Jim Harter, Gallup's chief scientist for workplace management and wellbeing. You can't feel confident about doing something when you're unsure exactly what that something should be. For instance, after receiving a laundry list of

“ Forty-one percent of American workers say they don't know what their employer stands for and what differentiates its brand from others.
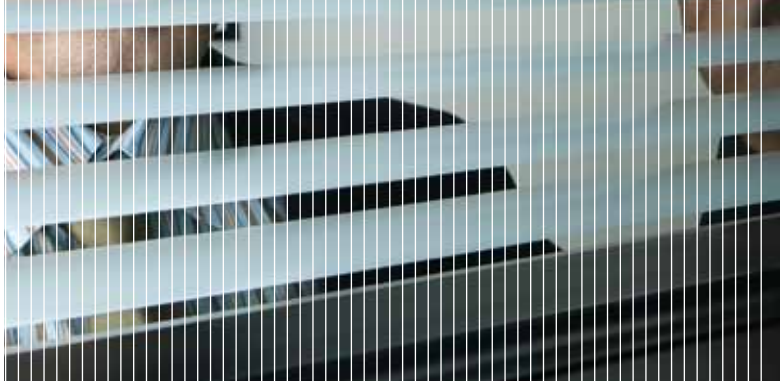
new responsibilities, one employee sought clarifications from his manager about some tasks and raised red flags about procedures related to others. With a quizzical look, his boss replied, "Oh."

Oh?

"Oh, I guess we never thought of that." Oh boy! (No need to shame the company publicly.)

When your employer plays pinball with your career, bumping you between positions, springing new tasks on you and stripping you of others, the fatigue alone makes it hard to strike targets. Plus, is the new job actually a promotion—or a demotion? By the time you figure out the game, the corporate pinball machine will send you rolling in a new direction. Then your employer wonders why your performance isn't where it should be, when actually, it's *exactly* where it should be.

"In most cases, there's an organizational failure rather than an individual one," Neil Morrison says. "If people are poor performers, they either don't know that they aren't doing

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what's required of them or the organization has placed them in roles that they aren't capable of achieving."

Ah, but new roles mean new opportunities, says your VP of HR. Don't they?

Workers appreciate chances to grow skills, it's true, but one talent many people already have is spotting B.S. Real opportunities come offered, not forced—like when managers learn of their new titles, responsibilities, and reporting relationships via companywide blast email. (Yes, this actually happens.)

People are concerned about doing their jobs because they feel like generic cogs in a machine. Displacement is the new disposability when it comes to fear at work. Indeed, according to Cardiff University's Skills and Employment Survey, more than half of all employees are anxious about their job status—that is, they fear shifts into roles that involve less use of their skills, less say over how work is done, less interesting work, or less pay.

It's not even that employees can't deal with a new plate of responsibilities—it's that they must now juggle many new and old plates, each piled with more tasks and less time to do them. It's enough to spoil anyone's appetite for work. "If every time you close something, there are twenty things lining up underneath it, you don't get that burst of satisfaction that you need to end up valuing your job," says Ken Matos, senior director of employment research and practice at the Families and Work Institute. A swollen to-do list coupled with lack of job clarity can also cause people to default to concentrating on easiest, rather than most important, tasks.

Additionally, as organizations have gotten leaner, consolidation of tasks has intensified the speed and pressure under which we work. For example, in the United Kingdom, research from Cardiff shows that the workweek has fallen from thirty-eight hours in 1997 to thirty-four hours in 2012. Meanwhile, 23 percent of British employees in 1997 said they worked at high speeds, compared to 40 percent in 2012. During that same time span, the numbers of people reporting that they were working harder and had high-pressure jobs also rose.

Let's pause to contemplate this.

Actually there's no time for that because at least five work emails have popped up on your smartphone since you began reading this and you long ago stopped wondering about the failed promises that technology was supposed to increase your free time so that you could sprawl on your couch and watch a *Homeland* marathon but instead technology now forces you to run your own marathon to get your job done thanks to Wi-Fi's ability to deform your living room into a workroom and is that a sixth message alert that you hear?

SUCCESS IN STRESS

Let's not kid ourselves: Intrinsic motivation is great, but it's rarely enough to yield great performance. That's why there are corner offices, plaques, and car service. Perks, rewards, and recognition—and oh, there are also those twice-monthly direct-deposit payments—help keep us working, but so does something else.

Employee insecurity is not good for business—until it is? Anxiety can be a powerful performance enhancer. "Some people are best motivated out of fear and will be spurred by insecurities," explains Russell Bishop, author of *Workarounds That Work*. So rather than mitigate workers' insecurities, should organizations *exploit* them? After all, many employees themselves will tell you that they work best under pressure. Indeed, "if you look at studies of high-performing leaders, a key thing that's driven them forward is fear of failing," says management consultant Marc Effron.

"A little bit of performance anxiety can enhance performance," suggests Ken Matos of the Families and Work Institute. "It can cause you to double-check work, do a little bit of extra research, and push you from OK to excellent. But I want to emphasize that it's *a little bit* of anxiety. Too much becomes distracting. That kind of fear comes with thoughts about what potentially can happen to you after a mistake. That's not helpful, that's not sustainable, and that's not what enhances performance."

Naturally, there's pressure and there's Pressure. "There's a point at which healthy stress becomes unhealthy and you risk pushing people toward burnout," Aon Hewitt's Ken Oehler says. Then, too, you need to weigh any performance benefits that anxiety may bring against costs related to illness, absenteeism, turnover, etc.

Besides, truly negative stress results not from trying to achieve goals but from actions that corporations take to keep you from achieving them—shifting people around too often, into jobs that may not be right for them, not clarifying responsibilities, assigning too many tasks, wrongly taking away others, over-focusing on deficiencies to the detriment of building strengths, restraining decision-making, and more.

"People already show up to work with primal fears," says management consultant Gary Magenta. "'Am I good enough?' 'Am I capable enough?' These fears are ingrained in all of us, and companies have a social obligation not to add to them. They should instead bring out the best in people by helping them use their talents to make their greatest contribution." —V.L.

Furthermore, just as individuals are doing more tasks, sometimes managers must supervise more individuals as corporations redraw lines. The more people under you, the less time you can devote to each—which helps explain why employee engagement falls when managers have teams of more than ten, according to Gallup.

"The concerns that people had about stress at work a generation or more ago now seem quaint: 'My boss doesn't like me and I may never get the promotion and could be stuck in this job,'" Peter Cappelli says. "Today, work demands are through the roof. Not just the amount of work but challenges that employees do not know how to meet, in part because they may not be achievable." And yet, we must achieve them anyway.

Was Sisyphus an insecure employee too?

AN IRRATIONAL RATIO

The wrecking ball swings again at businesses with performance-management systems that fixate on fixing workers' weaknesses. There's nothing wrong with improving shortcomings, "but the more that managers can optimize people to use their strengths, the better an organization will be," Jim Harter explains.

According to Gallup, 40 percent of people who say that their managers focus on neither strengths nor weaknesses are actively disengaged. That's bad. Of those who claim that their managers concentrate on their weaknesses or negative characteristics, 22 percent are actively disengaged. That's better. Finally, when workers claim that their supervisors zoom in on strengths or positive characteristics, only 1 percent are actively disengaged.

There's more. Fifty-two percent of American workers who use their strengths for up to three hours a day report feeling stressed; the number drops to 36 percent for those who use their strengths ten or more hours per day. Similarly, the more time people use their strengths at work, the less they say they worry and the more energy they say they have to get things done.

Nonetheless, oft-cited 2006 research by Marcus Buckingham revealed only 37 percent of people considered building strengths more important to success than fixing weaknesses, down four points from five years earlier.

Actually, people are often confident about their abilities—it's the lack of space to exercise them that spurs insecurity. The main problem with weakness obsession is that as people's jobs continue to expand with new and more responsibilities, everyone's faults naturally multiply faster than their talents, increasing potential for failure. Put differently, employees' strengths-to-weaknesses ratio tips in the wrong

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direction, which elevates insecurity. Doing a good job under a system the main mission of which is to manage the bad out of you becomes even harder, since you wind up using your strengths less.

"When all you focus on is dealing with weaknesses, you set yourself up for a culture of mediocrity, because you're spending all your time on making sure no one screws up," Ken Matos points out. "You're not spending time making people excellent. You can't just assign a bunch of new tasks and tell people they need to be proficient in all of them." Of course, that's where training comes in, but flaw-focused programs will not transform employees into perfect workbots. Eventually, insecurity will cause them to break down.

"People worried about doing their jobs will do their jobs differently," Matos explains. At worst, insecure workers may mask their deficiencies by covering up mistakes or committing ethical infractions. At best, they will do . . . nothing. "They will aim for the middle and take fewer risks, leading to organizational underperformance," Neil Morrison insists. And so, in an ironic twist, if some people feel secure keeping jobs, it might only be because insecurity doing them has placed them among the less noticeable average.

> **Senior leaders aren't more engaged because they get to force peons to make photocopies but, rather, because they have the *choice* to make copies themselves.**

"Companies have a lot of opportunity to move this middle group by giving them opportunities and recognition, helping them know their role, and encouraging them to voice their opinions without fear," Jim Harter says. Perhaps some enterprises are coming around: Yahoo! and Microsoft recently rid themselves of forced ranking, which critics have long argued ruthlessly emphasize weaknesses. Still, organizations can do more.

POWER POINTS

In fact, they are doing more, but not necessarily better. From nap rooms to yoga classes to wellness seminars, corporate efforts to relieve stress can do just that. They can make us healthier, but they do not make us more confident, because they target life, not work, pressures. Give people free bagels, ask them questions that really point to happiness or satisfaction, use answers to show (false) engagement levels, and you wind up not just ignoring real problems of insecurity but fueling them because you've failed to address the most important aspect of work: the work. In fact, bagels fail to make the list of top engagement drivers, according to a recent report by The Conference Board. Rather, "trust and integrity," "nature of the job," and "line of sight between individual performance and company performance" rank highly.

Perks aren't pointless, exactly, but most are misapplied Band-Aids that might make people happier but not necessarily more secure and engaged. What's more, engagement works better than perks to encourage happiness. For instance, Gallup research shows that engagement influences wellbeing more than policies related to hours, flextime, and vacation. Engaged employees who took less than one week off from work in a year reported 25 percent higher overall wellbeing than actively disengaged workers, even ones who took six or more weeks vacation.

It's about the work, stupid. Often, that means it's about empowerment, having decision-making influence over your own role, as well as your company's actions. Disempowered employees are more insecure and perform worse, and no bagel, downward-dog pose, or office party will change that.

It's no surprise, then, that engagement levels rise as one moves up in a hierarchy. Senior leaders aren't more engaged because they get to force peons to make photocopies but, rather, because they have the *choice* to make copies themselves. They're freer to concentrate on their interests and

strengths, as well as work more confidently, because they're likelier to understand their roles, given their proximity to the nucleus of decision-making.

Still, isn't everyone—you know, beyond the overused example of Southwest Airlines ticket agents—more empowered these days?

According to Cardiff research, in 1992, 84 percent of British workers said they had jobs that allowed them high task discretion. By 2001, the number had dipped to about 72 percent, where it has remained until 2012 (the last year for which data is available). Likewise, about 36 percent of workers in 2001 said they had some say about work organization at their companies; by 2012, the number had fallen to 27 percent.

Not very encouraging, until you consider that empowerment is difficult to gauge, especially as personal expectations evolve over time. Decades ago, an employee may have felt empowered to work from home one day a week. Today, some workers hardly ever visit the office. But even if we have greater say over our jobs now, it doesn't always feel that way because we don't compare ourselves to employees from generations ago. Ultimately, it's about subjective perceptions, so the question isn't whether people actually have more freedom presently but whether they *feel* like they do.

"I don't think people are empowered," Neil Morrison insists. "Organizations have put in place mechanisms that they say drive empowerment, but I'm not entirely sure there's any real change. It's more about the culture that sits beneath that mechanism. It's like putting in place a suggestion box but not actually doing anything with the suggestions. Or having an 'Ask the CEO' forum, but the CEO uses it as a basis to tell people why they're wrong. This is not empowerment."

Empowerment can breed even greater anxiety if done in name only. "I'm working with an organization now that is trying to empower its people, but there's a culture that doesn't tolerate mistakes," Gary Magenta explains. "But when you have more autonomy, you have more opportunity to be wrong on your own, and failure is inherent in that. To avoid insecurity, you have to give employees the resources and the latitude to take risks."

Granted, efforts to put decision-making into the hands of more workers can be obstacles for the average employee who desires simply to do a decent job and go home, but do you want this type of person dictating wider talent-management

policy? As long as you truly empower people, you'll end up building more confidence throughout your organization. Besides, a self-assured average employee is better than an insecure average employee.

"Empowering people must *not* mean disempowering managers," Nancy Foy writes in her 1994 book *Empowering People at Work*. "People want to be managed. They want to be managed well. They want their leader to lead them, pointing the way, focusing on priorities, feeding back on how they are doing. There is no room for management abdication in an organization that is trying to empower its people."

In the end, this comes down to what so many issues come down to: relationships between bosses and subordinates. "Where there's greatest insecurity is where there's least support and guidance from managers," explains management consultant Bruce Tulgan. Hence, the simplest way to boost confidence and engagement is to ask people for their opinions, something few managers do enough, Jim Link insists.

At the same time, "if you're an employee sitting around waiting for your company to ask you these questions, then shame on you," says Marc Effron, president of The Talent

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Strategy Group. "Employees need to take personal ownership of their careers."

Effron is undeniably right, but if a subordinate fails to initiate a discussion, then part of managing is to do it for them. Corporate games of chicken won't produce better performance, and isn't that what this is all fundamentally about? The Society for Human Resource Management reports that 71 percent of employees said they frequently put all their effort into their work, so your people already work hard. It's up to you to help them work better. Ask them how. After all, if they don't feel confident doing their jobs, they'll confidently tell you why. ∎