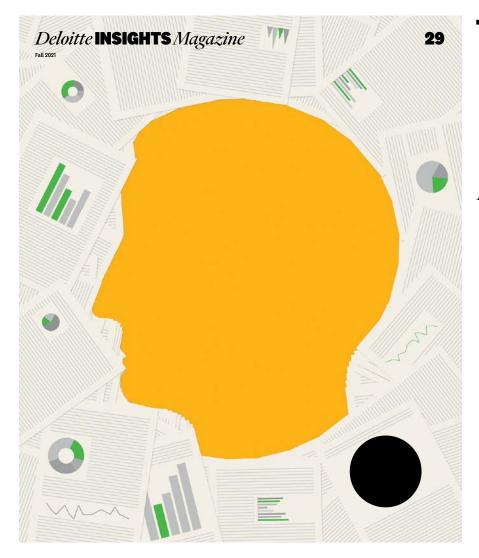
Deloitte INSIGHTS Magazine 29



The end note: Humanizing performance management

By Timothy Murphy

Deloitte. Insights

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see http://www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see http://www.deloitte.com/us/about for a detailed description of the legal structure of the US member firms of Deloitte Touche Tohmatsu Limited and their respective subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting. For information on the Deloitte US Firms' privacy practices, see the US Privacy Notice on Deloitte.com.

Humanizing performance management

Some research and insights have a short shelf life, while others continue to gain color and context. In each issue of Deloitte Insights Magazine, we look back on research we published and ideas we pitched, and evaluate whether they've stood the test of time.

By **Timothy Murphy**

Director of research and insights for Deloitte's CMO Program



What we said then

"Nonverbal information often trumps verbal content. In one experiment, subjects were asked to rate video recordings of participants reading various passages. ... Subjects who were asked to assess the feelings of the participants assigned up to 13 times more importance to the nonverbal over the verbal content." 1

Avoiding the feedback monsters: Using behavioral insights to develop a strong feedback culture, Deloitte Insights, April 2017.

What we say now

Put simply, we often communicate more meaning to our team members in how we deliver the message rather than just what we say. Words matter, but the tone and other nonverbal cues speak volumes.

Consider that fact within the context of our heavily remote—or hybrid—work environment today, in which emails, IMs, and conference calls are our primary modes of communication. The research we shared four years ago was conducted over video, but even video calls now are fraught with complexity when it comes to nonverbal communication. (The fatigue is *real*.) ²

So how do team leaders host meaningful performance management conversations in a world in which face-to-face interactions can be few and far between, and video calls often involve staring at a shy, fatigued, or tuned-out team member's headshot?

Make videoconferencing the exception rather than the rule. Using video less frequently can help your team members avoid videoconferencing fatigue, and can help you increase the impact and meaning of those video-based touch points when you use them, tapping into your entire arsenal of communication—that is, both verbal and nonverbal cues. And if you're in a hybrid work model, reserve those relatively rare in-person moments for one-on-one feedback sessions and check-ins with your team, rather than just spending that time in the office for business as usual.

64 Deloitte Insights Magazine

Endnotes

P1

Repairing global trust has economic advantages

- 1. World Values Survey, "WVS Wave 7 (2017–2020)," accessed April 22, 2021.
- **2.** Conal Smith, "Trust and total factor productivity: What do we know about effect size and causal pathways?," *International Productivity Monitor* 38 (2020).
- **3.** Oxford Economics data.

P19

Adapting your supply chain to the era of disruption

- Ibrahim Miyaki, "Why infrastructure development in Africa matters," United Nations, accessed September 2, 2021.
- **2.** Ibid
- **3.** Oko Ameh, "Study of relationship between time overrun and productivity on construction sites," *International Journal of Construction Supply Chain Management* 1, no. 1 (2011): pp. 56–67.
- **4.** Hannah Marais and Masego Ntsoane, Managing supply chain risk and disruption in capital projects—Africa Construction Trends report, 2020.
- 5. The analysis includes infrastructure projects that have broken ground but not yet commissioned by June 1, 2020. All projects in the analysis are valued at over US\$50 million.

P22-24

Putting more stock in good governance

- **1.** Patrick Temple-West, "US investors revolt against executive pay in record numbers," *Financial Times*, May 10, 2021.
- Say on Climate, "Home page," accessed September 2, 2021; Robert G. Eccles, "Here is my say on 'Say on Climate'," *Forbes*, January 5, 2021.
- **3.** Adam Hayes, "Rule 10b5-1," Investopedia, April 24, 2021.

P30-32

Leadership lessons from Leonardo

- 1. Martin Kemp, *Leonardo da Vinci: The marvellous works of nature and man* (Oxford University Press, 2006), pp. 57–58; Colin Marshall, "Leonardo da Vinci's handwritten resume (1482)," Open Culture, January 22, 2014. The full sentence translated as "I can carry out sculpture in marble, bronze or clay, and also in painting whatever may be done."
- **2.** Leonardo da Vinci, "Quote by Leonardo da Vinci," Goodreads, accessed August 30, 2021.
- **3.** It is also the first of Leonardo's three most well-known female portraits. The other two are *The Lady with the Ermine* (circa 1490) and the *Mona Lisa* (circa 1503–16).

- **4.** Katelyn Macknyk, "Da Vinci's use of one point perspective," Cove, February 10, 2020.
- **5.** Personal experience of the author.
- **6.** Walter Isaacson, *Leonardo da Vinc*i (Simon & Schuster, 2017), p. 1.
- 7. Stefan Klein, *Leonardo's Legacy: How da Vinci reimagined the world* (Da Capo Press, 2010), pp. 18–25.
- **8.** Marion Poetz, Nikolaus Franke, and Martin Schreier, "Sometimes the best ideas come from outside your industry," *Harvard Business Review*, November 21, 2014.
- **9.** Scotty Hendricks, "Why having a philosopher in the office is good for business," Big Think, April 11, 2018.
- 10. Bulent Atalay, Math and the Mona Lisa: The art and science of Leonardo da Vinci (Washington, D.C.: Smithsonian Books, 2004), p. 173.
- **11.** Jon Sarlin, "Everyone you know uses Zoom. That wasn't the plan," *CNN Business*, November 29, 2020.
- **12.** Atalay, *Math and the Mona Lisa*, p. 172.
- **13.** Ibid.
- **14.** NewsVoir, "McDonald's celebrates Founder's Day in North and East India," ANI, October 9, 2019.
- **15.** Santa Fe Institute, "About," accessed September 13, 2021.
- **16.** A rectangle in which the ratio of its two sides equals the golden ration, or 1.61.
- **17.** Atalay, *Math and the Mona Lisa*, p. 71.
- **18.** Atalay, Math and the Mona Lisa, p. 176.
- **19.** Gary Meisner, "Da Vinci and the divine proportion in art composition," goldennumber.net, July 7, 2014.
- **20.** Jim Loehr and Tony Schwartz, *The power of full engagement: Managing energy, not time* (Simon & Schuster, 2005), p. 12.
- **21.** Geoff Tuff and Steve Goldbach, *Detonate* (Wiley, 2018), p. 47.
- **22.** Ibid.
- **23.** Kemp, *Leonardo da Vinci*, pp. 108–12.
- 24. Atalay, Math and the Mona Lisa, p. 201.
- **25.** AFP, "The Florence silk mill still using a Da Vinci-designed machine," The Local IT, December 18, 2018.
- **26.** Robert Krulwich, "Leonardo's to-do list," NPR, November 18, 2011.

P33-3!

Your big agenda just got bigger

- **1.** Deloitte, 2021 Fortune/Deloitte CEO Survey, accessed September 9, 2021.
- **2.** Rich Nanda et al., *A new language for digital transformation*, Deloitte Insights, September 23, 2021.
- Erica Volini et al., The worker-employer relationship disrupted: If we're not a family, what are we?, Deloitte Insights, July 21, 2021.
- **4.** Deloitte, *Asia Pacific's turning point: How climate action can drive our economic future*, accessed September 13, 2021.
- **5.** Intergovernmental Panel on Climate Change (IPCC), *Climate change widespread, rapid, and intensifying*, August 9, 2021.
- **6.** Scott Corwin and Derek Pankratz, *Leading* in a low-carbon future: A "system of systems"

- approach to addressing climate change, Deloitte Insights, May 24, 2021.
- **7.** Punit Renjen, *The value of resilient leadership: Renewing our investment in trust*, Deloitte Insights, October 8, 2020.
- **8.** Stephen M. R. Covey and Donald R. Conant, "The connection between employee trust and financial performance," *Harvard Business Review*, July 18, 2018.
- **9.** Ibid.
- **10.** Punit Renjen, *Building the resilient organization: 2021 Deloitte Global resilience report*, Deloitte Insights, January 25, 2021.
- **11.** Punit Renjen, *The journey of resilient leadership: Building organizational resilience*, Deloitte Insights, December 2, 2020.

P38-45

Beyond the job

- Edie Goldberg and Kelley Steven-Waiss, The Inside Gig (Los Angeles: LifeTree Media, 2020).
- 2. Gary Hamel and Michele Zanini, "The end of bureaucracy," *Harvard Business Review*, November–December 2018; Willis Towers Watson and SHRM's Executive Network, "The future chief people officer: Imagine. Invent. Ignite," January 17, 2020; Bill Fisher, Umberto Lago, and Fang Liu, *Reinventing Giants: How Chinese Global Competitor Haier Has Changed the Way Big Companies Transform* (San Francisco: Jossey-Bass, 2013); Tony Fu-Lai Yu and Diana S. Kwan, *Chinese Entrepreneurship: An Austrian Economics Perspective* (Milton Park, UK: Routledge, 2015).
- **3.** Pim de Morree, "How to disrupt a 70,000 employee manufacturing company," Corporate Rebels, 2018.
- 4. Thomas W. Malone, Robert J. Laubacher, and Tammy Johns, "The age of hyperspecialization," *Harvard Business Review*, July–August 2011.
- 5. For more on how to successfully activate talent marketplaces, see Ina Gantcheva et al., Activating the internal talent marketplace: Accelerate workforce resilience, agility and capability, and impact the future of work, Deloitte Insights, September 18, 2020; Michael Schrage et al., Opportunity marketplaces: Aligning workforce investment and value creation in the digital experience, MIT Sloan Management Review in collaboration with Deloitte Insights, April 2020.
- **6.** Andie Burjek, "Employees use InDays to improve the world around them," Workforce.com, November 9, 2017.
- **7.** Gary Hamel and Michele Zanini, *Humanocracy:* Creating Organizations as Amazing as the People Inside Them (Boston: Harvard Business Press, 2020).
- 8. Eugenio Battaglia, "Leading the market through autonomy, peer commitments and responsibility," Stories of Platform Design, September 22, 2020; John Hagel, John Seely Brown, and Maggie Wool, *Redefine work: The untapped opportunity for expanding work*, Deloitte Insights, 2018; Jorge Mazal, "Flat and fluid: How companies without hierarchy manage themselves," *Medium*, February 15,

62 Deloitte Insights Magazine

- 2014; Hamel and Zanini, *Humanocracy*; Gary Hamel, "First, let's fire all the managers," *Harvard Business Review*, December 2011.
- 9. Dominic Barton, Dennis Carey, and Ram Charan, "One bank's agile team experiment," Harvard Business Review, March–April 2018; Maarten van Beek, "Future way of working at ING," AGILE NXT Magazine, October 5, 2020; Tom Schotkamp and Martin Danoesastro, "HR's pioneering role in agile at ING," Boston Consulting Group, June 1, 2018; McKinsey Quarterly, "ING's agile transformation," January 10, 2017; Bettina De Ruyck et al., "Performance and reward management in an agile environment: 10 key findings based on a qualitative study," Vlerick Business School, 2020.
- **10.** Allan Schweyer, "The impact and potential of artificial intelligence in incentives, rewards, and recognition," Incentive Research Foundation, September 24, 2018.

P46-51

Unshackling the creative business

- China's Broad Sustainable Building has developed a similar approach, though different in its details. The firm is known for its plan to assemble Sky City, a 220-floor building in Changsha, in 90 days. As with all good ideas, it germinated in multiple places.
- 2. Design for Manufacture and Assembly (DFMA) is a design approach that focuses on the efficiency of manufacturing and assembling the final product. The foundation of applying the approach to construction is a digital model of the building—a building information model (BIM). Rather than treating BIM as a tool to streamline existing operations, which is common, the DFMA approach centers the model and uses it to drive all building activities.
- 3. Hickory's approach is built on a set of parametric digital models that enable a bespoke building to be broken down into a set of custom parts—precast stairs and pretensioned concrete flooring system with preattached façades—that are manufactured offsite and then assembled onsite. A key difference between Hickory's and early modular systems is the focus on creating an approach that could be used to construct any bespoke building, rather than restricting the building to a set of predefined manufactured components.
- **4.** This case study is discussed at length in Peter Evans-Greenwood, Robert Hillard, and Peter Williams, *Digitalizing the construction industry:* A case study in complex disruption, Deloitte Insights, February 26, 2019.
- 5. The regulation the City of Melbourne was considering would not directly mandate DFMA; however, it would favor night-time construction, with the implication that night-time noise restrictions would make it impossible to use a conventional construction process.
- **6.** This two-part definition—where for a thing to be creative, it must be both novel *and* useful—is common in research into creativity. While definitions vary, they all generally adhere to this two-part form. Some definitions have *appropriate* rather than *useful*, and while

- there is a semantic difference, one does imply the other. See Jonathan A. Plucker, Ronald A. Beghetto, and Gayle T. Dow, "Why isn't creativity more important to educational psychologists? Potentials, pitfalls, and future directions in creativity research," *Educational Psychologist* 39, no. 2 (2004): pp. 83–96.
- **7.** Don Miller, Tsutomu Okamoto, and Trevor Page, *Organizational design: The rise of teams*, Deloitte Insights, March 1, 2016.
- **8.** Early self-checking kiosks are an interesting example of the tension here. It was commonly assumed that good customer service implied doing as much as possible for the customer, so that there was little that they needed to do. A self-service kiosk pushes responsibility for navigating the check-in process to the customer, which contradicts this assumption. Many customers preferred the experience though, as it provided them with more control over the processes.
- 9. Vlad P. Glåveanu, *Distributed Creativity: Thinking Outside the Box of the Creative Individual* (New York City: Springer
 International Publishing, 2014).
- **10.** The Four Ps framework was first proposed in Mel Rhodes, "An analysis of creativity," *Phi Delta Kappan* 42, no. 7 (1961): pp. 305–10.
- **11.** Place is called "press" in the research literature, as in "the influence of the ecological press on the person" in Rhodes' initial formulation (ibid). The authors have chosen to use "place" instead to avoid confusion.
- **12.** Alfonso Montuori and Ronald Purser, "In search of creativity: Beyond individualism and collectivism," presented at the Western Academy of Management Conference, Kona, Hawaii, accessed July 30, 2021.
- **13.** Rob Withagen and John van der Kamp, "An ecological approach to creativity in making," *New Ideas in Psychology* 49, pp. 1–6, April 2018.
- 14. Views on the source of creativity—our understanding of creativity's *cause*—have shifted over the centuries, passing through the *He* and *I* paradigms to end up at the current *We. He* is the lone genius, where creativity is due to the influence of god or, later, a person's genetic inheritance—an essentialist view. *I* has the "normal" person replacing the genius, with creativity as a quality of the (lone) individual, the "creative personality," a skill that can be taught—a reductive view. *We* has creativity as the result of multiple factors that must converge for creativity to occur, a "systems approach" or "social creativity" where creativity is the result of human interaction and collaboration.
- **15.** This is both demographic diversity—diversity in identity and cultural background—and functional diversity—diversity in thinking style, business area, or discipline. While the two are correlated, they are not the same. See Lu Hong and Scott E. Page, "Groups of diverse problem solvers can outperform groups of high-ability problem solvers," *Proceedings of the National Academy of Sciences* 101, No. 46 (2004): pp. 16385–9.
- **16.** A number of techniques have been developed that enable us to measure creativity. One such approach is the consensual assessment technique (Teresa M. Amabile, "Social

psychology of creativity: A consensual assessment technique," Journal of Personality and Social Psychology 43, no. 5 (1982): pp. 997-1,013). The Creative Solution Diagnosis Scale (David H. Cropley, "The Creative Solution Diagnosis Scale (CSDS)," Creativity in engineering: Novel solutions to complex problems (San Diego: Academic Press, 2015), pp. 78–85) is a similar tool, though more narrowly focused on engineering products. A similar product-focused tool is the Creative Product Semantic Scale (Susan P. Besemer and Karen O'Quin, "Confirming the three-factor creative product analysis matrix model in an American sample," Creativity Research Journal 12, no. 4 (1999): pp. 287-96).

P52-61

From livable to lovable: Making cities more human

- **1.** The World Bank, "Urban Development," April 20, 2020.
- **2.** Anthony Paletta, "Story of cities #32: Jane Jacobs v. Robert Moses, battle of New York's urban titans," *The Guardian*, April 28, 2016.
- **3.** Developed from DesignSingapore Council's "Lovable Singapore project" study.
- **4.** Mayor of London, "Night Czar," accessed July 10, 2021.
- 5. C. Haerpfer, R. Inglehart, A. Moreno, C. Welzel, K. Kizilova, J. Diez-Medrano, M. Lagos, P. Norris, E. Ponarin, and B. Puranen et al., World Values Survey: Round Seven Country-Pooled Datafile. Madrid, Spain, and Vienna, Austria: JD Systems Institute & WVSA Secretariat. doi.org/10.14281/18241.13, 2020.
- 6. John F. Helliwell, Richard Layard, Jeffrey Sachs, and Jan-Emmanuel De Neve, eds., World Happiness Report 2020, Sustainable Development Solutions Network, New York, 2020.
- Arturo Bris, Christos Cabolis, José Caballero, Marco Pistis, Maryam Zargari, and Bruno Lanvin, *IMD Smart City Index 2020*, International Institute for Management Development, 2020.
- 8. These organizations are Deloitte Center for the Edge, Centre for Liveable Cities, Housing and Development Board, National University of Singapore (School of Design and Environment), the Singapore Together secretariat, and the Urban Redevelopment Authority.

P64

The end note

- 1. Michael Argyle, Florisse Alkema, and Robin Gilmour, "The communication of friendly and hostile attitudes by verbal and non-verbal signals," *European Journal of Social Psychology* 1, no. 3 (1971): pp. 385–402. This finding has been repeated in multiple behavioral studies such as Patricia Noller, "Video primacy—A further look," *Journal of Nonverbal Behavior* 9, no. 1 (1985): pp. 28–47.
- Jeremy N. Bailenson, "Nonverbal overload: A theoretical argument for the causes of Zoom fatigue," *Technology, Mind, and Behavior* 2, No. 1 (2021).

Fall 2021 63

Deloitte. Insights

CONTACT

Email: insights@deloitte.com



in www.linkedin.com/company/deloitte-insights





Go straight to smart. Download the Deloitte Insights app www.deloitte.com/insights/app

