

**This syllabus reflects the nature of the course when it was most recently taught.  
All syllabi are subject to change by the instructor.**

## **Performance Management (Heinz 91-808) – Spring**

### Instructor

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Carnegie-Mellon University  
Heinz and Tepper Schools

Achieving results through the efforts of individuals, groups, and organizations involves integrating goals, competencies, measurements, rewards and support. The purpose of this course is to develop the manager's skills in facilitating performance, learning, collaboration, and customer/client responsiveness. Our focus is on improving class members' abilities to develop other people and manage an effective psychological contract with their organization, subordinates, peers and clients. Topics incorporate issues from public, volunteer and for-profit firms.

### **Topics include:**

- The psychology of performance
  - Defining performance and related knowledge—how novices and experts differ
  - Declarative Knowledge: knowing what to do  
Procedural Knowledge: knowing how to do it  
Good performance typically requires both, but they are learned differently
  - Critical role of practice and feedback
- Contracting for high performance--managing the psychological contract
  - Goals -- defining and measuring performance
  - Rewards and consequences -- incentives, feedback, and feedforward (with special emphasis on non-financial rewards)
  - Individual differences -- distinct contracts for different workers, equity, fairness, consistency
- Organizational culture, human resource strategy and practices
- Cross-national differences in motivation

### **Class style:**

- Problem-oriented -- focusing on cases, managerial dilemmas and organizational experiences provided by class participants
- Hands-on -- group problem solving and decision making will be used to demonstrate key principles

### **Behavioral Norms**

- (1) Individual Participation: You are expected to come prepared to ask questions that add to your understanding of the course materials as well as that of your fellow students. You are requested to complete some assignments that are not graded. If they are completed, you will be one step further along on your personal journey toward enlightenment. What an incentive system!
- (2) "New Business": Each class will begin with a poll of new business items. These are brief ("sound bite") reports on events (in the news--front page, business, or sports section; Heinz; your personal experiences) pertinent to human behavior in organizations. I expect each class member will make **at least one** contribution to New Business during the mini term.
- (3) Readings: You are expected to read all the materials and in your reading, you should continually ask yourself the following two questions:
  - (a) Do I understand the theory and/or principles of this material?
  - (b) So what? What are its implications? How would I **apply** this as a manager?

You are asked to actively participate by raising these questions as well as others during our class time.

All assigned readings should be completed prior to the class for which they are specified. Readings will be briefly reviewed to check for understanding at the beginning of each class. Be prepared to answer questions regarding the readings and more importantly to **ask** them.

- (4) Ethics: All work turned in must be original and your own. Answers to cases are not to be obtained from outside sources, including teaching notes, internet sites, or past course participants.

### **Text**

Course Pack--cases and managerial readings

### **Grading**

Your grade will be determined based upon:

Reading log: One page summary of insights from assigned reading (turned in within one week of assignment). You may choose TEN of the assigned readings to write your logs: 20%

Group Project #1 (Hausser): 35%

Group Project #2 (Organizational performance analysis): 35%

Individual participation: 10%

### **Reading log**

For each reading assigned you will receive a point for turning in a one page summary of your thoughts and insights.

- If you agree, tell us with what. If you dispute the author, indicate how and why.
- What practical applications can you identify from the reading?

You will receive **two points** for each successfully completed summary.

### **Term Papers**

Two group papers (maximum length 7 pages) are required in this course. Their purpose is to give you an opportunity to apply class concepts in the solution of practical problems.

Paper #1      Due April 7

*Hausser Foods*

Identify the key performance problems at Hausser Foods. What are the causes of these problems? How should these problems be solved? Please use class concepts in your analysis and solution. Your grade will be based on (1) Logic and clarity of description and analysis, (2) Appropriate use of concepts, (3) Integration and writing style.

Paper #2      Due May 6

*An Organization of Your Choosing*

**The Case:** Write a case (2-3 pages) describing a performance problem in an actual organization. Performance problems refer to any situation in which the performance of an individual or a group is below that expected of them by the organization (could include poor work quality, failure to work effectively with others, chronic absenteeism or unreliability, etc. etc.). The emphasis here is on your development of assessment skills (please systematically consider the range of situational factors necessary to understand what happened).

**The Analysis:** Using class concepts analyze the causes (organizational and individual) of the problem(s) you describe (2-3 pages). Be sure to carefully apply theory and research in a manner consistent with the meanings specified for each OB concept you use. Here is your chance to develop and exercise diagnostic skills.

**The Problem Solution:** Based on your analysis, develop a strategy for effectively implementing changes to improve performance (2-3 pages). Be detailed, specific, and realistic (no "pie in the sky"). Consider not only the results you wish, the levers you would use to produce those results, but also the process (timing, preparation) needed to effectively carry out these changes.

## Schedule

### Week 1: Introduction/Syllabus

#### Topics

The psychology of performance  
Attribution biases

**Readings:** Syllabus

**Exercise:** Tenagram

### Week 2: Contract making and performance

#### Topics

Psychological contracts  
Managing expectations  
Mutuality: myth or reality?  
Reciprocity: requisite support

**Complete:** Psychological Contract Inventory

**Readings:** Rousseau: "Managing diversity for high performance"  
Schaeffer: "Demand better results and get them"

**Discussion Questions:** When a new manager stumbles: Who's at fault? (**NO LOG**)

1. What is the psychological contract Goldstone has at Bulwark? What's missing? How is the contract incomplete?
2. Do other managers share the same expectations as held by Goldstone? How do they differ and why?
3. What is the potential influence of unfulfilled contracts on the attitudes and commitment of organizational members?
4. What should Goldstone do now to manage the situation?

### Week 3: Performance measures and rewards:

"If you don't measure it, you can't reward it. If you don't reward it, you won't get it"

#### Topics

Goal setting  
Rewards  
Idiosyncratic deals

**Case:** "The best-laid incentive plans" (**NO LOG**)

**Readings:** Kerr: "On the folly of rewarding A, while hoping for B"  
Latham and Locke: "Goal setting a motivational technique that works"  
Pfeffer: "Six Dangerous Myths about Pay"  
Rousseau: "Idiosyncratic deals: Flexibility versus fairness"

Week 4: Feedback, Coaching and Counseling: the Role of the Interview

GUEST SPEAKER: Professor Paul S. Goodman, Tepper School of Business

**Readings:** Jackman & Strober: "Fear of feedback"  
Manzoni: "A better way to deliver bad news"  
Peiperl: "Getting 360 feedback right"

Exercise: Lou and Chris

Case writeup #1: Due April 8

Week 5: Culture, high performance, and learning

Topics

The performance paradox: why organizations sometimes perform poorly even when their people are high performers  
Linkages between culture and organizational results

**Readings:** Rousseau: "Teamwork: Inside and Out" (skim)  
Munck: "Changing a culture of face time"

**Case:** Oxfam America (**NO LOG**)

**Discussion Questions for Oxfam America:**

1. How would you describe the Oxfam America organizational culture?
  - its values and priorities
  - its subcultures and how they relate to each other
  - its norms regarding decision making, participation, and accountability
2. How do these cultural characteristics facilitate or impinge upon its response to its external environment?
3. Are the mission and vision statements effective and motivating? Why (not)?
4. Which of the three strategic options do you recommend?

Week 6: Cross-cultural issues

Topics:

Motivational and value differences cross-nationally  
Strategies for managing people from different backgrounds

**Readings:** Hofstede: "Cultural dimensions in people management: The socialization perspective"  
Mangaliso: "Building competitive advantage from Ubuntu: Management lessons from South Africa"

Films: New China Experiences

**Cases:** Bob Chen (**NO LOG**)  
David Shorter (**NO LOG**)

Issues to consider in analyzing the two cases:

- (1) How would Bob Chen describe his own approach to achieving his performance and career goals? How do you believe David Shorter would describe Bob's approach?
- (2) What factors would explain discrepancies in their views?
- (3) What are the organization's own goals? What role might Bob play in helping achieve the organization's goals?
- (4) How would David Shorter evaluate Bob's performance, and what factors would influence his evaluation? How would you evaluate Bob's performance?
- (5) What are particular challenges and dilemmas in managing subordinates who have different cultural backgrounds and working styles from yours?
- (6) What organizational actions would you recommend to resolve the performance problems in this case?

WRAP UP: Sound Bite on your Case (5 minutes)

Final: Case #2 due May 6

Case Analysis Feedback Sheet  
(to be used for both projects)

Case Description (35%)

Clear, succinct description

Sufficient information to identify core problem(s)

Case Analysis (30%)

Specific, behavioral focus

Identifies key behavioral contingencies

Appropriate attention to individual, group, and organizational goals

Appropriate consideration to performance criteria

Describes critical organizational and psychological processes relevant to problem

Solution (30%)

Consistent with issues analysis identifies

Implementable (realistic organizationally and psychologically)

Comprehensive (addresses all relevant problems)

Writing (10%)

Integrated sections (consistent focus throughout)

Clear, lucid writing

Creative, innovative, thoughtful

March 1, 2005

To: Marcia, Lee, Kim, Chris  
From: Tony  
Subject: Expectations

I have now been in P&A full time for just over a month. Something I wanted to do from the beginning was to set out for each of you what my expectations are of you and me. Now that I have a few minutes before the next fire drill I will lay them out for you.

#### What I Expect from You

1. Your best efforts - Each task you undertake bears your signature whether you sign it or not.
2. Your honesty - In everything you do, do it as if someone else is watching.
3. Your teamwork - Though you may report to me, we all work for ATS. Plan your actions, to the extent you can, to achieve ATS's corporate objectives. Trust that this will take care of your goals, my goals and our department's goals.
4. Your ideas - When it comes to better meeting or exceeding our customers expectations (internal and external), there is no such thing as a "dumb idea."
5. Your initiative - Don't wait for an invitation; plan, coordinate with others and as they say in the Nike commercial "Just Do It."
6. "No surprises" - If you make a mistake or if a problem is developing, tell me early, not late.
7. Extend yourself - Find opportunities to learn new skills or acquire knowledge. Make yourself more valuable to ATS in your current position and prepare yourself for the next one.

#### What You Can Expect From Me

1. Honesty - While I try to be diplomatic, I don't always succeed. If you are not living up to my expectations in some area (and it is important), I will tell you. I will also actively look for reasons to praise you.
2. Leadership - I will provide broad guidance and prompt decisions.
3. Support - When you perform well, I become your advocate to Sal and anyone else in ATS or outside. I will be my best to ensure that you have the tools, training and other means to be the best at what you do. I will also push you to advance as far as your abilities, ambition and circumstances permit.

4. Flexibility - If you need something out of the ordinary, ask and explain why. If there is any way I can reasonably accommodate you, I will.
5. Fairness - To the best of my ability, I will hold each person to the same standards and deal with them accordingly.
6. Humor - I take my work very seriously, but not myself. I do that by poking fun at myself. I may also do this to you. It is intended good-naturedly to relieve stress and create a more cohesive team. If I ever offend you, please let me know and I will adjust.