The RESOURCE

PSP Metrics: New Name, Same Service

Our new name, PSP Metrics, underscores the foundation of our work—applying behavioral science principles to solve problems in the workplace. *Metrics* refers to PSP's systems or standards of measurement, which allow us to numerically gauge the skills and behavioral attributes of employees. This has been PSP's core competency for 60 years. Our quantitative approach to benchmarking such factors as motivators, work habits, management style, and emotional intelligence makes PSP distinctive. In addition, our objective measurement tools for employee surveys, developmental 360s and succession planning are mathematically-based. So, our new name reflects the long-term focus of our Company.

Scientific Research Basis to Our Work

Why change the name now? There are several reasons. First, we wanted a name that better emphasizes the scientific research basis to our work. PSP was founded by doctoral level psychologists and researchers, pioneers in the field of industrial psychology. We have built on their legacy and have continued PSP's tradition of scientifically supporting everything we do.

Second, since technology and the Internet are driving more of our measurement tools than ever before, we looked for a name to reflect that trend. We have modernized our test administration and results delivery systems, using electronics to make PSP faster and easier to use than just a few years ago. This means that we now handle a much greater volume of work for our customers, with no loss of accuracy or quality.

Third, our old name did not reflect the scope of our activities and sometimes was misunderstood. First and foremost, PSP is a people measurement company. Whether we are assessing applicants or current employees, individually or en masse, our job is to provide our customers with the information they need to select and develop the right people. At PSP Metrics, we use our measurement tools to help our customers achieve their goals.

Same Management Team

Does the new name reflect any ownership or management changes? No, PSP continues to be owned and operated by the same management team. We also have the same outstanding staff and customer service that distinguish us from the competition. Our emphasis is on being easy to work with and on customizing our measurement tools according to customer needs. Our goal is to continue to replicate our work across a broad customer base around the globe.

Are there any other changes related to PSP Metrics? We timed the re-branding of our Company with the relocation of our offices in downtown Pittsburgh. Our new space in The Frick Building has been custom-designed to reflect the balanced emphasis on excellent customer service and state-of-the-art technology. PSP Metrics combines the best of the historic PSP with a greater commitment to information technology in the delivery of first-rate tools for employee measurement.

PSP Metrics: applying behavioral science to solve problems in the workplace.

360 Surveys: Not Created Equal

Growing leaders or achieving organizational change is difficult without good feedback systems for employees. Direct open feedback, however, is typically in short supply in most organizations. For this reason, the 360 survey that provides developmental feedback to employees from the people who surround them is a tool that the vast majority of Fortune 500 companies use today in some form or another to rate and develop their people.

Feedback from fellow employees is the most credible and often the most useful. Without some formal structure, however, such as the 360 survey, most employees are reluctant to give feedback to their peers.

Best 360s Are Customized

Not all 360 surveys are created equal, nor do they yield equally useful results. The best 360s are customized to the company's key behavioral competencies, important change initiatives and company values. Customized 360s can also address the unique characteristics of each company and business situation, and can be modified as new issues grow in importance.

The metrics for 360s can vary, but most typical 360s are scored on a rating scale of 1-5. The main problem with these linear rating scales is average rater bias, where raters choose the middle ground as a safety precaution. Of course, not all raters are created equal, and often it is difficult to get the desired level of objectivity and confidentiality from raters.

Paired Comparison Approach

These challenges can be addressed by using a measurement system that requires a paired comparison of survey items. In a paired comparison 360, individual behaviors are rated by comparing one behavior to another to determine which is stronger. It yields a final ranking of the person's strengths and weaknesses, with specific scores for each behavior, resulting in a ranking of work behaviors from highest to lowest.

This approach reduces the problem of rater bias and creates greater objectivity, reliability and, thus, accuracy in ratings. The paired comparison format can easily be customized, translated and placed online for ease of administration. It allows for individual and group comparisons with greater statistical accuracy.

The paired comparison approach prevents someone from being rated as good or bad at everything. Instead, it identifies and ranks the strengths and the weaknesses of the person being rated. It also carefully narrows the focus so that the feedback emphasizes a smaller number of areas on which to focus for development. This avoids information overload, which is a hazard in typical 360s.

The best use of 360 surveys is for development. Too often, the 360 becomes an end in itself, and employees are left not knowing what to do now that they have all this feedback.

Customized development plans are critical for success in any effective 360 survey system. The development plan should emphasize goal setting with a list of developmental activities that include on-the-job projects, as we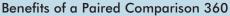ll as specific suggestions for behavioral changes that employees can try. Noticeable behavior change comes from an emphasis on the application of lessons learned rather than on simply reading books and attending seminars.

Important Tool for Change and Development

360s have become increasingly popular, but despite good intentions, they are too often poorly designed and poorly executed. When they are customized to the specific needs of the employee and business situation, they can be an important tool for creating organizational change, leadership development and a continuous learning business culture.

As the saying goes, we treasure what we measure. By measuring employees' behavioral changes through a paired comparison 360 survey, you will send a clear message that targeted change is treasured by the organization.

For more information on the paired comparison Motivator 360, visit the PSP Metrics website (www.pspmetrics.com).

Benefits of a Paired Comparison 360
- Easily customized
- Acknowledges key strengths
- Easy to interpret
- No data overload
- Encourages development
- Excellent coaching tool
- Measures continuous improvement
- Reduces ratee defensiveness
- Improves accuracy of ratings
- Enhances trust in validity of data
- Provides a group report
- Focuses on what matters most in your business

Is Your Top Executive Team Really a Team?

Chances are your top executive team is a team in name only. Executive teams often are fragmented, with members operating independently with minimal interaction, exchange or collaboration. The case could be made that top executive teams are unusual, and a team must have the right individuals and setting if it is to become a true team.

Certainly a case also can be made for the benefits of an effectively working top executive team, especially in today's competitive, global environment, in which great flexibility is required for adapting quickly to changing market conditions.

Regardless of whether top executives operate as a team or not, their ability to work effectively together has a huge impact on the success of the rest of the organization. Teamwork below the executive level is crucial for the successful achievement of the executives' business strategies.

Four Requirements for Executive Teams

For executive teams to be effective, they generally must meet four requirements:

- ❖ Executives must meet together often (six times a year at a minimum) and work together on mutual, interdependent goals and objectives.
- ❖ Rules of engagement for guiding executive team meetings need to be clear, specific and agreed upon.
- ❖ Team members must accept and manage interpersonal differences in leadership and work styles, and clear the way for teamwork at employee levels below.
- ❖ Leadership roles and accountabilities must also be clear, specific and agreed upon. This includes which decisions are team decisions rather than individual executive decisions.

It is important to recognize that not all decisions must be team decisions, especially at the executive level. Thus it is important that the CEO be clear about when he or she wants input only and when he or she wants to reach agreement or consensus.

Naturally it is to the benefit of the top executive, as well as the team, to have open discussion, including disagreement, so that all important issues surface. Without open and candid discussion, all of the important issues needed to establish a clear and targeted strategy are not likely to emerge. *Indeed, the effectiveness of an executive team's discussions can be judged by the group's comfort level with disagreement.* While there can be a problem of "group think" among top executives, a more frequent problem is that executives simply do not think (out loud) together.

When everyone feels free to raise issues, it is much easier to get commitment and not simply acquiescence. Without true commitment, executives will follow their own agendas rather than the one they talked about without really reaching consensus.

Top executive team members need to be aware that they are the model for the rest of the company. The more they are on the same page—seen to be in agreement and committed to a strategic direction with specific goals and business priorities—the more those who report to them will follow that lead.

The huge unspoken issue among all teams has to do with trust. Trust allows us to have confidence in the other person so that we are more willing to share our thoughts and concerns, as well as commit to a course of action even when we have hesitations. Without trust, we are more likely to focus on our own individual needs and concerns. This results in a fragmented team, a fragmented business strategy, and, all too often, fragmented results.

Developing Trust in an Executive Team

Trust cannot be decreed. It will develop only when the individual executive members have sufficient levels of repeated success and confidence while interacting with their fellow team members. When executive team members need to depend on each other to accomplish mutual, interdependent business goals, they are more likely to work at building the trust they need to become a true team.

Given the structure of some businesses, it is not always possible or desirable to have a true team. It remains important, however, for top executives to find a constructive way to work together, as they are examples for the rest of the organization.

WHAT'S NEW @ PSP

- Introduced the **Motivator 360**, a powerful tool for leadership development and organizational change.

- Conducted a company-wide employee attitude/opinion survey of 600 internationally placed employees, achieving an 85 percent participation rate with a web-based survey taken by employees worldwide.

- Created customized benchmarks for screening tests used by an automotive supply company in the southeast United States.

- Conducted a Board of Directors evaluation for a large family-owned holding company.

- Developed an interviewer training guide for one of America's top homebuilding companies.

- Assisted an international chemical company in a strategic restructuring of one of its largest divisions, using the Wyvern OJQ Downsizing assessment tool.

- Completed a successful revalidation of pre-employment tests on machine operators and maintenance personnel for a major rubber tire company.

- Conducted 360s for two manufacturing companies to help establish a coaching/development leadership culture customized around their specific competency models.

PSP METRICS

Building Competitive Companies Since 1946

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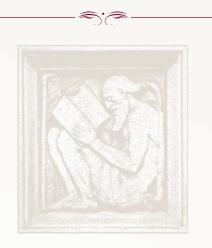## RESOURCES FOR LEADERS AND TEAMS

Daniel Goleman, known for his work on emotional intelligence, investigates *Social Intelligence: The New Science of Human Relationships* in his new book, released this fall. Synthesizing the latest findings in biology and brain science, he discovers that we are designed for sociability, with a built-in bias toward empathy, cooperation and altruism.

Midcareer employees and managers often suffer from a midcareer restlessness called *middlescence, described* in a recent *Harvard Business Review* article (March 2006, pp. 78-86). In *"Managing Middlescence,"* authors Robert Morison, Tamara Erickson and Ken Dychtwald discuss how companies need to address this issue or risk losing employees who should be at their peak of productivity.

Management consultant Patrick M. Lencioni gives practical guidance to leaders and managers on how to get their teams up and running effectively in *Overcoming the Five Dysfunctions of a Team: A Field Guide for Leaders, Managers, and Facilitators.*

Howard M. Guttman zeroes in on how senior managers can manage conflict effectively and build high performance teams in *When Goliaths Clash: Managing Executive Conflict to Build a More Dynamic Organization.* He bases his real-world advice on both his own consulting experience and the results of a 10-year survey of more than 300 executive teams.

Enlightened Power: How Women Are Transforming the Practice of Leadership provides both inspiration and practical wisdom for women leaders in the 21st century. Edited by Linda Coughlin, Ellen Wingard and Keith Hollihan, the book draws on the accumulated experience of 40 influential women and men in business, politics, the military and academia.

For recommendations on training resources on any management topic, contact PSP directly.