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WELCOME!
Quality of Working Life

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TECHNOLOGY

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Performance & Productivity

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Workforce productivity is the amount of goods and services that a worker produces in a given amount of time

The OECD defines it as "the ratio of a volume measure of output to a volume measure of input" (OECD, 2002)

Volume measures of output are normally gross domestic product (GDP) or gross value added (GVA), expressed at constant prices i.e. adjusted for inflation.

The three most commonly used measures of input are:

1. hours worked;
2. workforce jobs; and
3. number of people in employment.

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Productivity is the ratio of output to inputs in production; it is a measure of the efficiency of production (GDP)

Labour productivity levels in Europe
OECD 2012

GDP by hour worked in USD

- over \$95
- \$55 - \$90
- \$30 - \$45
- below \$30
- unavailable

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Productivity

Productivity of Poles & Estonians is still far lower than in Western European countries

In Estonia there was productivity 68% of the EU average
(Eurostat, 2010)

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Productivity

Workforce productivity can be measured in 2 ways, in physical terms or in price terms

These aspects of productivity refer to the qualitative dimensions of labour input

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How QWL is related with performance?

EVIDENCE: there is the inter-relationship (correlation) between QWL and QOL
EVIDENCE: there is the inter-relationship (correlation) between QWL and productivity

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A heuristic model of organizational health

(Hart, Cooper, 2001)

EVIDENCE: there is the inter-relationship (correlation) between well-being and productivity

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Wellbeing and performance

(Cooper, 2011)

Positive correlation between well-being and performance
 (r=0.3)
(Cropanzano & Wright, 1999; Wang, 2000; Donald et al., 2005)

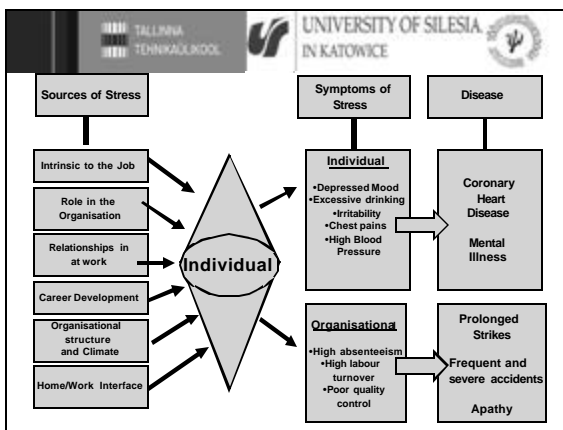
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For the reason of occupational stress EU lost 2.8 -3.5% GDP (European Commission, 1999)
For the reason of occupational stress UK lost 5-10% GDP (Cooper, 2011)

EVIDENCE: there is the inter-relationship (correlation) between occupational stress and productivity

	Cost per average employee (£)	Total cost to UK employers (£billions)	Per cent of total
Absenteeism	330	8.4	32.4
Presenteeism	605	15.1	58.4
Turnover	90	2.4	9.2
Total	1025	25.9	100

Estimated Annual Costs to UK Employers of Mental Ill Health (Sainsbury Centre for Mental Health, 2007)



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Work locus of control

Locus of control (Rotter, Julian, 1954)

Work locus of control (Spector, 1988) reflects an individual's tendency to believe that he controls events in his work life (internality) or that such control resides elsewhere, such as with powerful others

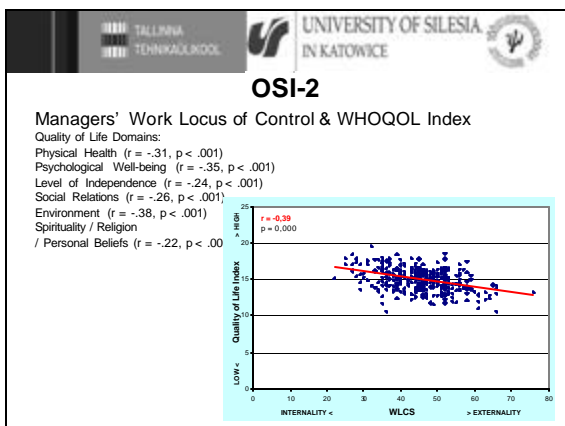
Managers' Work Locus of Control in Eastern versus Western Europe (CISMS Study, 2002)

Eastern European	N	Work Locus of Control	USA and Western European	N	Work Locus of Control
			USA	119	37,5
Romania	135	45,3	Germany	85	40,4
Estonia	163	47,1	Sweden	210	41,5
Poland	263	48,0	Belgium	185	43,4
Slovenia	488	49,1	France	61	45,1
Ukraine	219	52,6	Spain	180	46,6
Bulgaria	165	53,3	UK	201	46,8

* Work Locus of Control score represents Internality

OSI-2
Managers' Work Locus of Control & WHOQOL
 All the six domains of quality of life had significant, negative correlations on work locus of control, thus internal WLC leads to better QOL

Work LOC	QOL Index	1	2	3	4	5	6
Work Locus of Control (Work LOC)		1					
WHOQOL-100 Index (Index)							
1. Physical health							
2. Psychological well-being							
2. Level of independence							
4. Social relationships							
5. Environment							
6. Spirituality/ Religion/ Personal beliefs							



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OSI-2

Managers' Work Locus of Control & WHOQOL

The findings provide support to the idea that the person's internality is important not only for one's psychological and physical health, but also for the relations with others as well as with the environment.

Internality is associated with managers' satisfaction with their quality of life

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EVIDENCE: there is the inter-relationship (correlation) between occupational stress and work locus of control (internality/externality)

But **NO** clear relationship with gender and age

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Psychological factors of feedback on performance

Feedback in the workplace can be received in two different types of ways

- ✓ Positive feedback is when an employee is praised and told what he or she is doing right and negative feedback is when an employee is corrected and told what he or she is doing wrong
- ✓ Positive and negative feedback in terms of work productivity are very important in the field of Industrial-organizational psychology

Feedback in the work place can be both formal and informal

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Positive emotions at work

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Job attitudes and emotions

Feelings about work
Surveys show that most of people like their job, but this does not mean that they like all work aspects of their job equally

Work Aspect	Satisfaction Level
Pay	21.8
Promotion	21.8
Working conditions	23.0
Communication	14.2
Fringe benefits	14.9
Coworkers	17.0
Supervision	16.5
Nature of work	19.9

Source: Spector, American Journal of Community Psychology, 13, 693-713

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Positive feedback on performance

Positive feedback has the most impact on creating higher quality work and more work productivity overall. Positive feedback will also lead to a higher Job satisfaction level. When receiving positive feedback an employee may be told that his or her work is being done correctly and that he or she should keep up the good work. Positive feedback is used to reinforce good behavior and encourage the worked to keep working hard and creating high quality work

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Negative feedback on performance

Negative feedback has the ability to slow work production and create less quality work
However, when negative feedback is given in terms of corrective criticism then high quality work can be produced because it allows for errors to be known and made available to correct.

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Performance appraisal

A performance appraisal, performance review, performance evaluation, (career) development discussion, or employee appraisal is a method by which the job performance of an employee is evaluated

Performance appraisals are a part of career development and consist of regular reviews of employee performance within organizations

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Performance appraisal

A performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives

Other aspects of individual employees are considered as well, such as organizational citizenship behavior, accomplishments, potential for future improvement, strengths and weaknesses, etc.

To collect PA data, there are three main methods: objective production, personnel, and judgmental evaluation

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Improving performance appraisal

1. Training - Creating an awareness and acceptance in the people conducting the appraisals that within a group of workers, they will find a wide range in difference of skills and abilities.
2. Providing Feedback to Raters - Trained raters provide managers who evaluated their subordinates with feedback, including information on ratings from other managers. This reduces leniency errors.
3. Subordinate Participation - By allowing employee participation in the evaluation process, there is employee-supervisor reciprocity in the discussion for any discrepancies between self ratings and supervisor ratings, thus increasing job satisfaction and motivation.

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Performance management

Performance management includes activities which ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on the performance of an organization, a department, employee, or even the processes to build a product of service, as well as many other areas (Rausch, Sheta, Ayesh, 2013)

Performance management is also known as a process by which organizations align their resources, systems and employees to strategic objectives and priorities

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Performance management

Human resource management conducts performance management. Performance management systems consist of the activities and/or processes embraced by an organization in anticipation of improving employee performance, and therefore, organizational performance. Consequently, performance management is conducted at the organizational level and the individual level. At the organizational level, performance management oversees organizational performance and compares present performance with organizational performance goals. The achievement of these organizational performance goals depends on the performance of the individual organizational members.

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Performance measurement

1. Objective production
2. The happy-productive worker hypothesis - The happy-productive worker hypothesis states that the happiest workers are the most productive performers, and the most productive performers are the happiest workers
3. Personnel - The personnel method is the recording of withdrawal behaviors (i.e. absenteeism, accidents)
4. Judgmental evaluation - The most common types of error are leniency errors, central tendency errors, and errors resulting from the halo effect
5. Peer and Self Assessments
6. Organizational citizenship behavior
7. Performance appraisal interviews

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Factors affecting labour productivity

In a survey of manufacturing growth and performance in Britain, it was found that:

The factors affecting labour productivity or the performance of individual work roles are of broadly the same type as those that affect the performance of manufacturing firms as a whole.

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Factors affecting labour productivity

They include:

- 1) physical-organic, location, and technological factors;
- 2) cultural belief-value and individual attitudinal, motivational and behavioural factors;
- 3) international influences – e.g. levels of innovativeness and efficiency on the part of the owners and managers of inward investing foreign companies;
- 4) managerial-organizational and wider economic and political-legal environments;
- 5) levels of flexibility in internal labour markets and the organization of work activities – e.g. the presence or absence of traditional craft demarcation lines and barriers to occupational entry; and (6) individual rewards and payment systems, and the effectiveness of personnel managers and others in recruiting, training, communicating with, and performance-motivating employees on the basis of pay and other incentive
- 6) individual rewards and payment systems, and the effectiveness of personnel managers and others in recruiting, training, communicating with, and performance-motivating employees on the basis of pay and other incentives.



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Motivation and Productivity in the Workplace

Motivation theories

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Motivation and productivity

Employee motivation has always been a central problem for leaders and managers
Unmotivated employees are likely to spend little or no effort in their jobs, avoid the workplace as much as possible, exit the organization if given the opportunity and produce low quality work
On the other hand, employees who feel motivated to work are likely to be persistent, creative and productive, turning out high quality work that they willingly undertake

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Does motivation lead to productivity, as is commonly thought - or is the reverse true - that productivity, (being and feeling productive) leads to motivation? *(Albano, 2013)*

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According to most researchers there is a positive relationship between motivation and productivity
That is to say, when motivation increases, we should expect productivity to rise as a result. This reflects the belief that an increased motivation level causes an increase in productivity - a direct cause and effect relationship *(Albano, 2013)*

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Motivation and productivity *(Singh, 2011)*

```
graph LR; A["Productivity  
Employees  
Resources  
Systems  
Processes  
Goods Produced  
Service Delivered  
Organization"] --> B["By Making work :  
• Easier  
• Simpler  
• Quicker  
• Rewarding  
• Safer  
• Fun!"]; B --> C["Improves  
Employee  
Motivation"]; C --> A;
```

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Motivation

External motivation = different rewards

External motivators
REWARDS

Intrinsic
motivation
(Self-motivation)

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Motivation

```
graph LR; A[DRIVES NEEDS] --> B[BEHAVIOR]; B --> C[REWARD]; C -- FEEDBACK --> A
```

DRIVES NEEDS

BEHAVIOR

REWARD

FEEDBACK

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Engagement

(State of the Global Workplace: Employee Engagement Insights for Business Leaders Worldwide, Gallup, 2012)

Among the 20 Central and Eastern European countries Gallup surveyed in 2011 and 2012, 11% of employees are engaged, while **63% are not engaged** and 26% are actively disengaged

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Engagement

(State of the Global Workplace: Employee Engagement Insights for Business Leaders Worldwide, Gallup 2010)

	ENGAGED	NOT ENGAGED	DISGAGED
Poland	57%	40%	33%
Estonia	49%	49%	20%
Latvia	33%	60%	7%
Bulgaria	12%	84%	21%
Macedonia	12%	87%	32%
Albania	11%	89%	20%
Montenegro	11%	88%	21%
Slovakia	11%	89%	20%
Thailand	11%	86%	23%
Lithuania	10%	82%	28%
Russia and Kazakhstan	8%	90%	31%
Czech	8%	82%	30%
Republic	8%	82%	30%
Turkey	7%	89%	33%
Croatia	7%	87%	32%

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Praise

Effective	Non-effective
Approved in accordance with the employee's actual achievements and desired behavior	Occasionally and no special attention to actual achievements behavior
Defines aspects of employee achievement worthy of praise	General, do not define success
Hereby sincerely shows spontaneity, variability and reliability of other non-verbal signs	Formal, no emotions, wrong phrases

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Praise

Effective	Non-effective
Provides the employee with the knowledge and information about the significance of the achievement	Praise is based on a comparison with other students, and do not take into account the student's efforts, the true meaning of achievement
Helps employee to evaluate and considered valuable in their thinking, problem-solving and action	Oriented to his own compared to other employees

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Thank You!
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