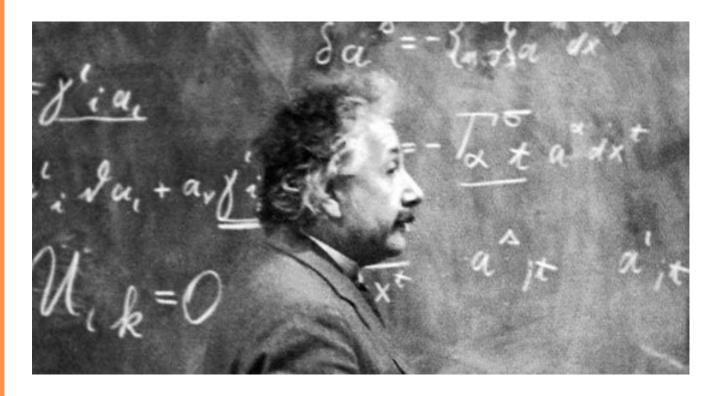


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Einstein as Chief Talent Officer: the quantum mechanics of performance management





In 1905, Albert Einstein inaugurated what was to become known as his annus mirabilis with a first paper on the particle theory of light, proposing that light was not a continuous wave, but consisted of localized particles. His insight not only transformed modern physics, but perhaps could have helped us change some HR practices much earlier.

Fast forward to 2015: Accenture, Deloitte, GE, Microsoft and Dell join early movers like Adobe in abandoning traditional performance reviews. Citing research from the Neuroleadership Institute, The Wall Street Journal attributed this trend to the realization that "the very act of giving employees a rating jolts them into a 'fight or flight' scenario."

But what does measuring performance have to do with the quantum nature of light?

It's called the observer effect. And had we followed Einstein more carefully, we would have already understood the consequences of measurement without having had to wait for the advent of the fMRI.

The dual nature of light (as well as electrons) is famously demonstrated in the double-slit experiment. Aim electrons at a metal plate with two equal slits, and they create an interference pattern upon a screen placed on the other side, consistent with their wave-like nature. Repeat the <u>experiment</u>, only this time measuring which slit the electrons pass through, and you get a completely different outcome. Instead of behaving like waves, the electrons now behave like particles: they create no interference pattern. In short, the act of observation (or measurement) changes the phenomenon being observed (or measured).

And in the non-quantum world of organizations?

<u>Daniel Pink</u> and <u>Tim Hartford</u> have recently drawn our attention to similar types of phenomena in the realm of human behavior. Indeed, both provide a rich list of examples of the transubstantiating power of the observer effect.

In building the case for <u>Motivation 3.0</u>, Dan Pink asks us to consider a group of care-free preschoolers who simply enjoy drawing. Yet, once you start observing, hence measuring, and ultimately rewarding them for this playtime activity, they soon lose interest and dedicate less time to what had previously been so fun. Adults, although not necessarily childish, also behave in these child-like ways: no sooner do you start timing and rewarding people on how quickly they successfully complete creative tasks, that their performance begins to lag. Granted, there is a key factor of contingent rewards, but the point is that any reward system must start with measurement.

Turning to Tim Hartford's examples in Messy: How to Be Creative and Resilient in a Tidy-Minded World, we see the effects of measurement even more clearly. Drawing on a wealth of research ranging from Tony Blair's attempts to improve the National Health Service in the UK only to end up with family doctors refusing routine appointments; to scientific forestry initiatives that reduce biodiversity; to report cards for cardiac surgeons that result in more unneeded bypass operations; to university selectiveness rankings that lead institutions to encourage mass applications as a way of lowering acceptance rates...Hartford concludes quite simply and clearly that in all such cases

trying to measure performance--and sometimes making it an explicit target--had surprising and unwelcome side-effects

Just as in the quantum world of electrons, when it comes to human behavior, the act of measurement also changes the phenomenon being measured. But of course, had Einstein been a Chief Talent Officer, he would have foreseen the paradoxical quantum effects of performance management.

Marcel Lieberman

