

Building Excellence Together

Performance in Knowledge
Intensive Organizations



Aalto-yliopisto
Aalto-universitetet
Aalto University

HUMANE Spring
Seminar 2019
Riitta Silvennoinen



Aalto in brief

A multidisciplinary community of bold thinkers where science and art meet technology and business.



12 000 full-time students
4 000 employees
400 professors

256 doctoral degrees
1927 master's degrees
1178 bachelor's degrees
360 MBA/EMBA graduates

6 Schools
Arts, Design and Architecture
Business
Chemical Engineering
Electrical Engineering
Engineering
Science

Performance Culture

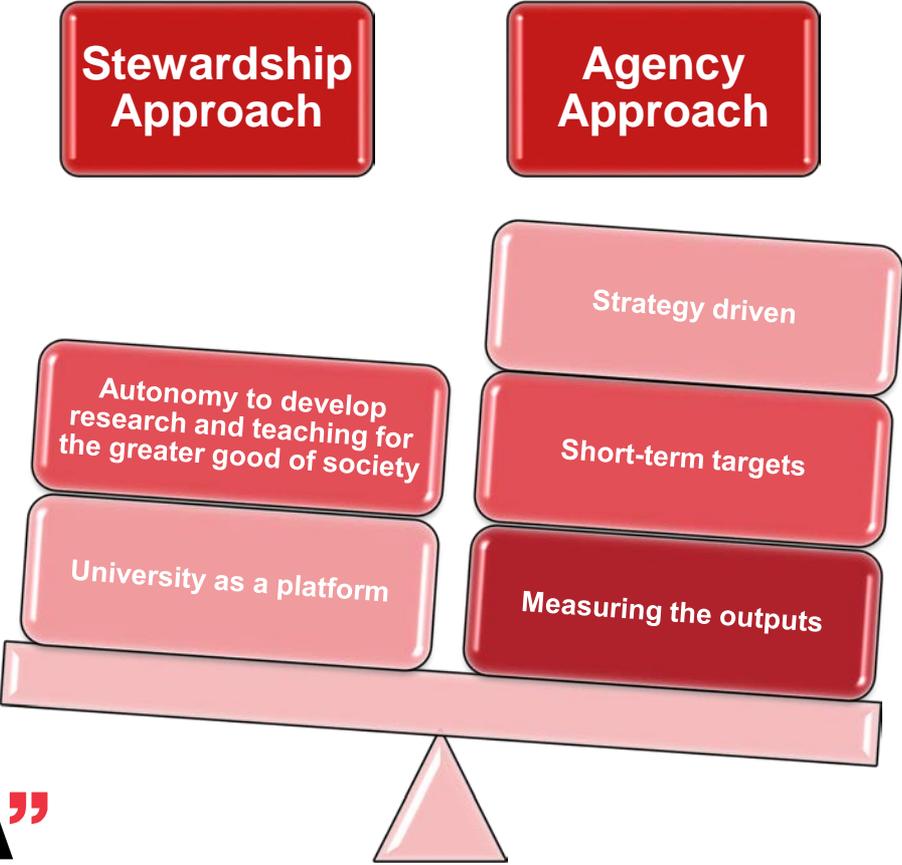
Is performance important?
Does it matter how the performance comes about?

What drives performance?
Performance thru competition or collaboration?
Who are the heroes?

What about poor performance?
How do we define high performance or excellence?

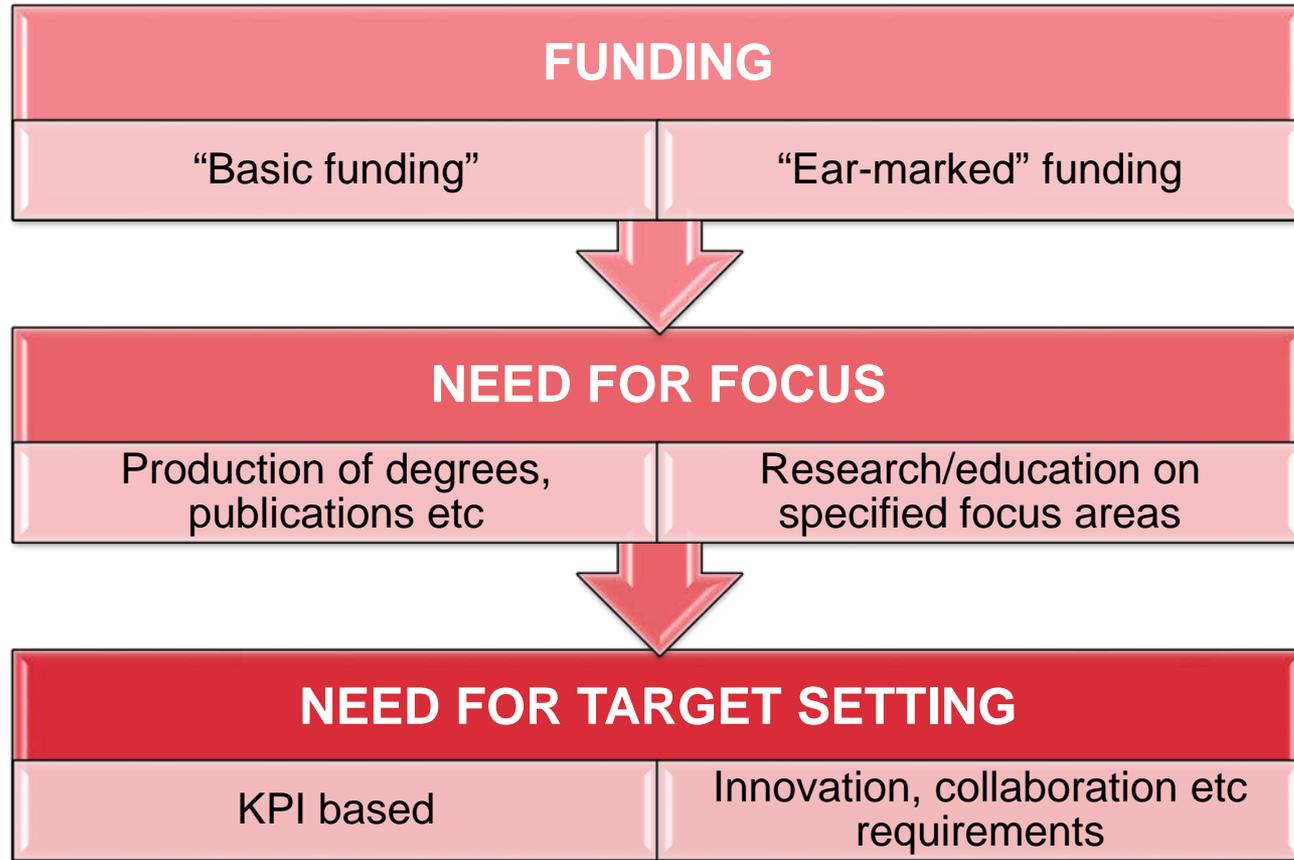


Approach to performance

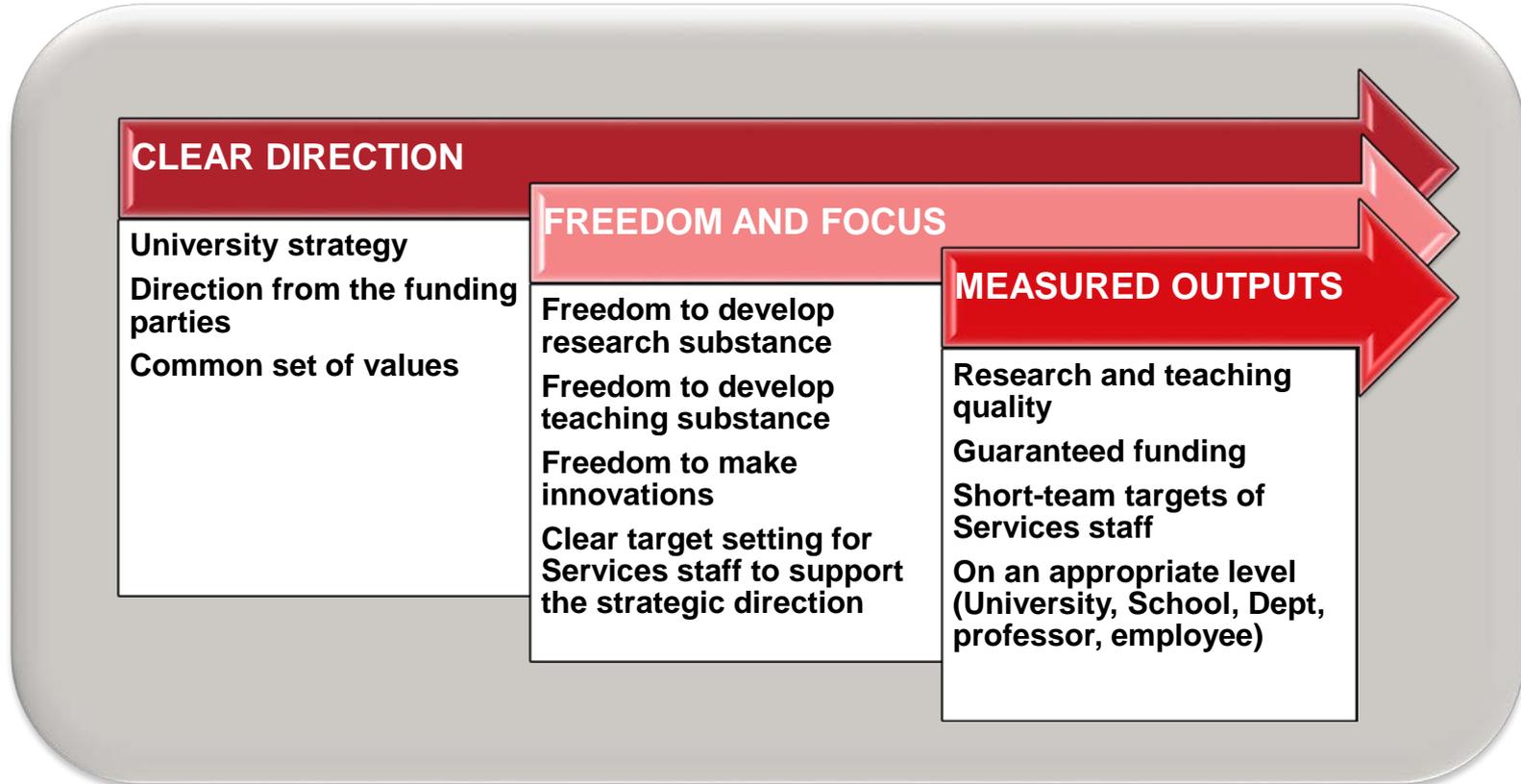


Source: Franco-Santos, M., Rivera, P. & Bourne, M. (2014), Performance Management in UK Higher Education Institutions: The need for a hybrid approach

Drivers for managing performance

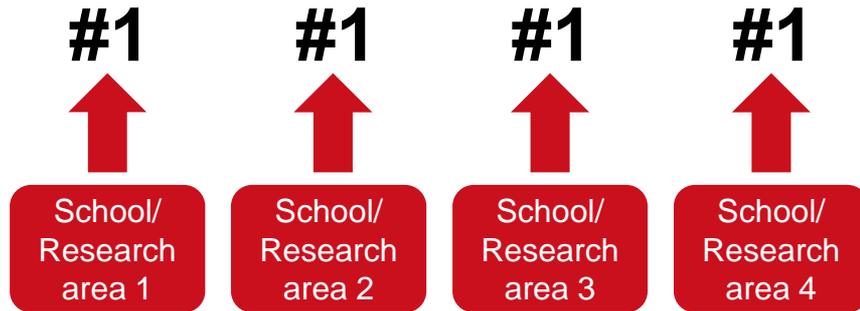


Moving towards a hybrid model



Competition or collaboration?

Healthy competition guarantees best results



OR A HYBRID AGAIN?

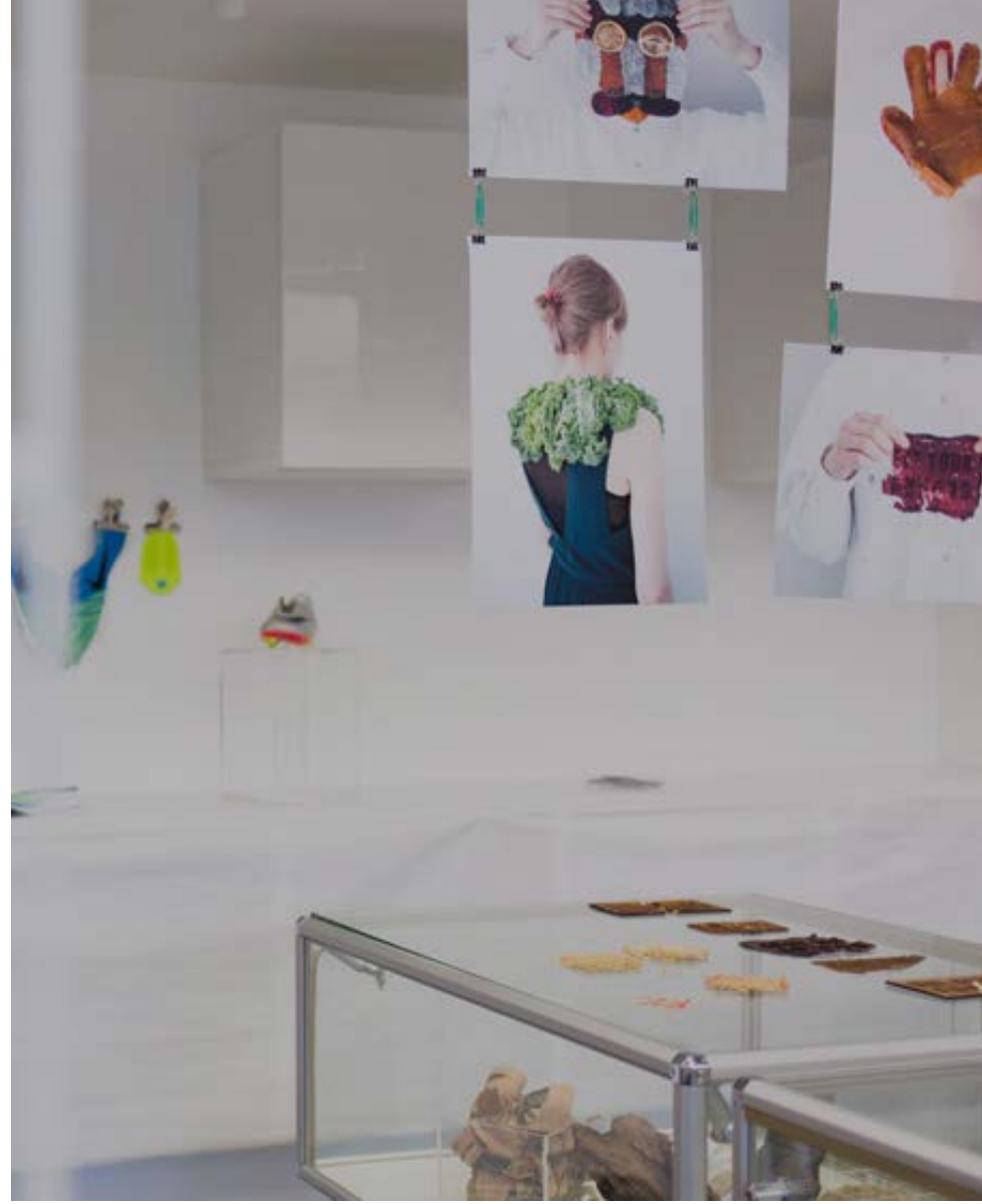


Collaboration across boundaries guarantees best results

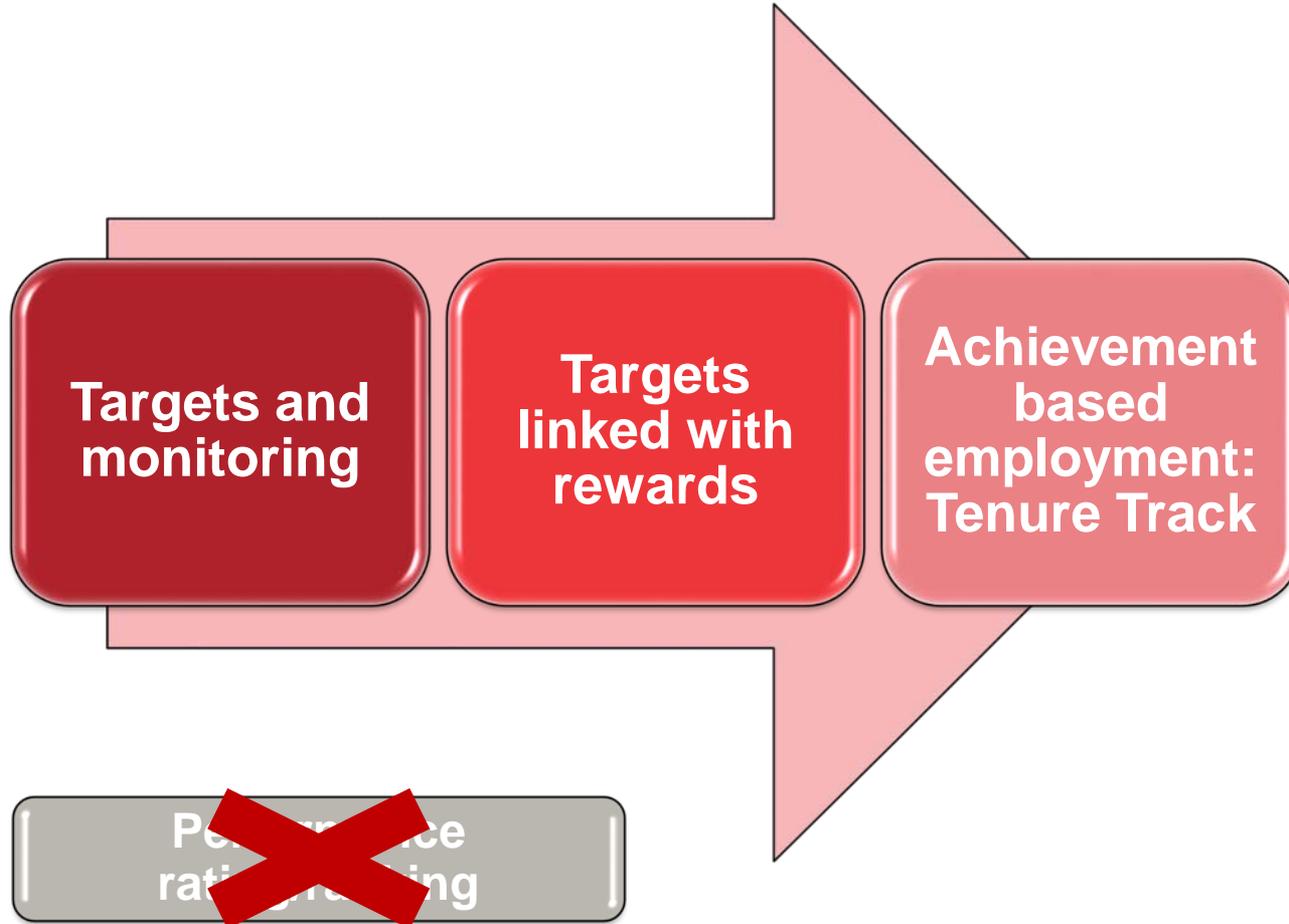


Performance Management

A?



Performance management - How?



Targets and Monitoring

Targets
and
monitoring

- Provides a common ground for discussing performance
 - Allows for cascading university level targets (academic and professional services)
 - Can, but does not need to, have a link to remuneration
- Provides a regular review for those on a multi-year trajectory
 - Tenure Track progress
 - PhD students' progress



Steering academic performance?

- **Recognition in tenure and promotion**
 - Example: if you want to increase societal impact, include it in tenure track criteria
- **Additional financial remuneration**
 - Variable pay elements (e.g. bonus, incentive)
- **Time releases to participate in strategic initiatives**
 - Course releases, release from committee work or other service obligations
- **Retention of IPR**
 - E.g. innovations, course materials
- **Funding for the research group**

Targets
linked with
rewards



Financial rewards

- **Bonus based on University/School performance**
 - Eligible: usually all employees
- **Incentive programs**
 - Based on pre-agreed individual or team targets
 - May include University level multiplier
 - Eligible: everybody in a given target group
- **Performance based merit increases**
 - Pre-agreed criteria and evaluation period
 - Eligible: x% of the target population (e.g. 20% of full professors)
- **Instant recognition**
 - Small awards available throughout the year to recognize exceptional achievements on the spot

Targets
linked with
rewards



Case example: Incentive program

- Eligibility: all employees
- Individual and team targets, preferably SMART
- Organizational multiplier according to the agreed KPI's
- Amount: 10-25% of annual salary (depending on the position) with a multiplier 0.5-1.5, budgeted on 1.0



- + Annual cycle ensures targets remain relevant
- + Can vary btwn years, no permanent increase to salary mass
- Does not take into account real project lengths or long-term nature of academic outcomes

Case example: Performance based merit increase

- **Eligibility: Full professors**
- **Expected coverage: 20%**
- **Individual increase: 2-6%, budgeted on avg. 3%**
- **Evaluation based on long term performance (past 4 yrs)**
- **Evaluation criteria**
 - **Research/artistic work (peer reviewed publications, competitive and non-academic external funding)**
 - **Education**
 - **Impact (activity in scientific community, academic leadership, societal impact)**

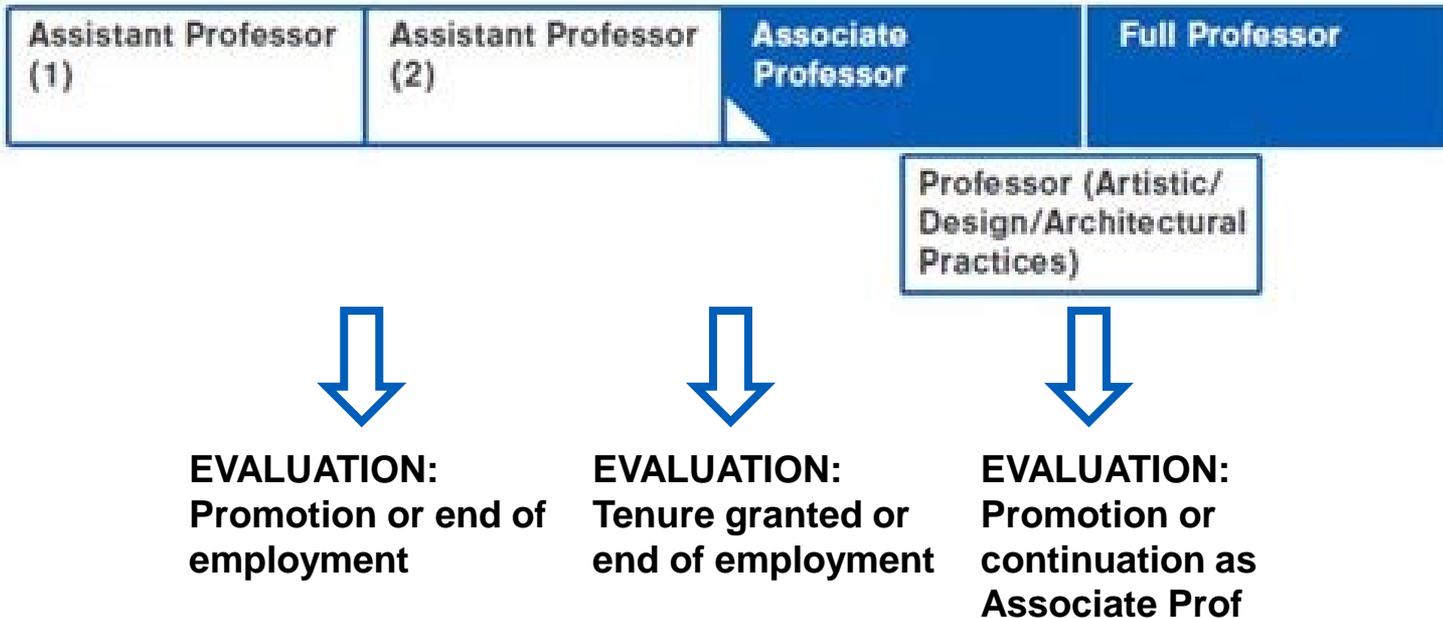
- + differentiation over time
- + longer term perspective
- permanent increase to salary mass



Case example: Expecting excellence

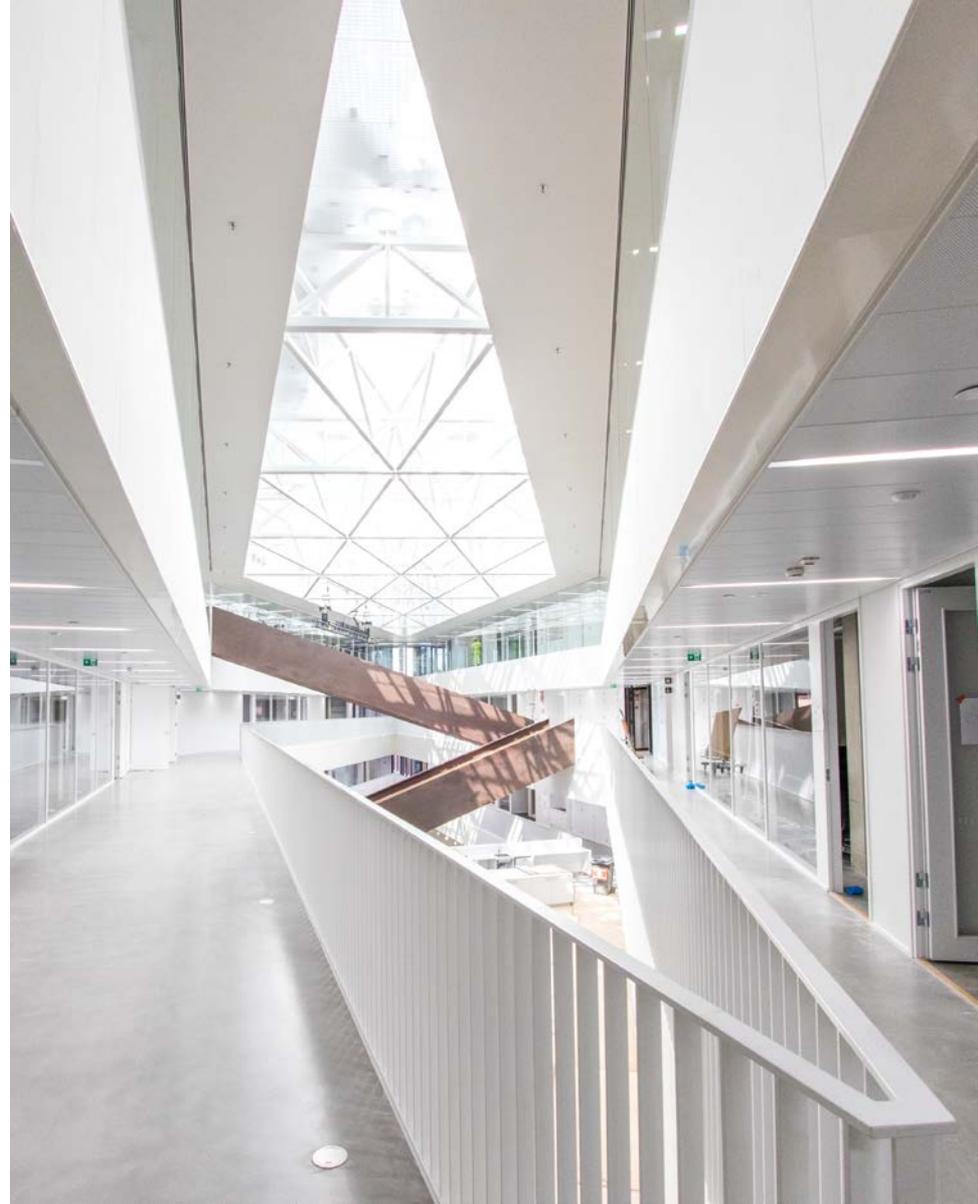
Achievement based employment:
Tenure Track

Tenure track career system

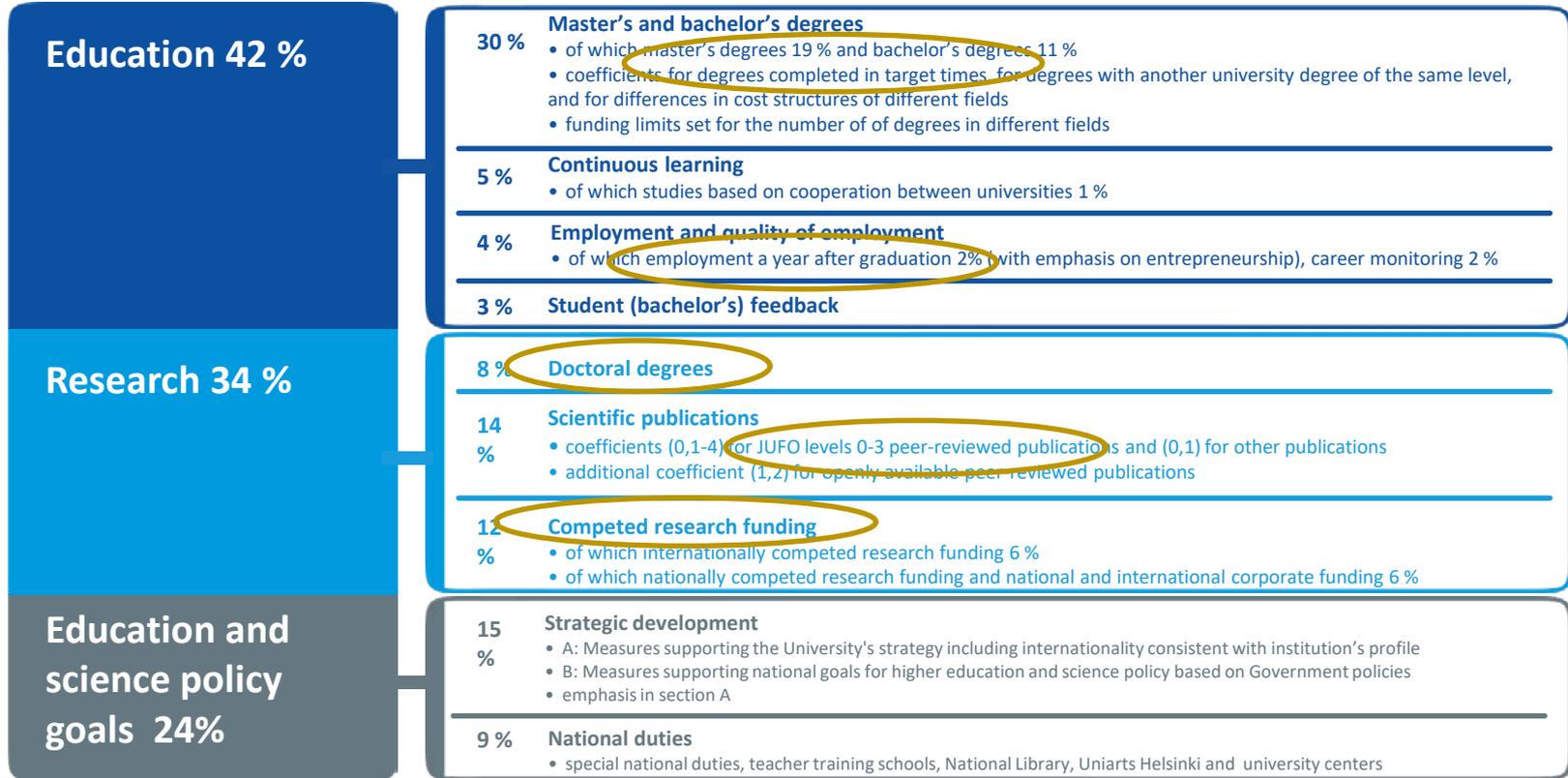


Measuring Performance

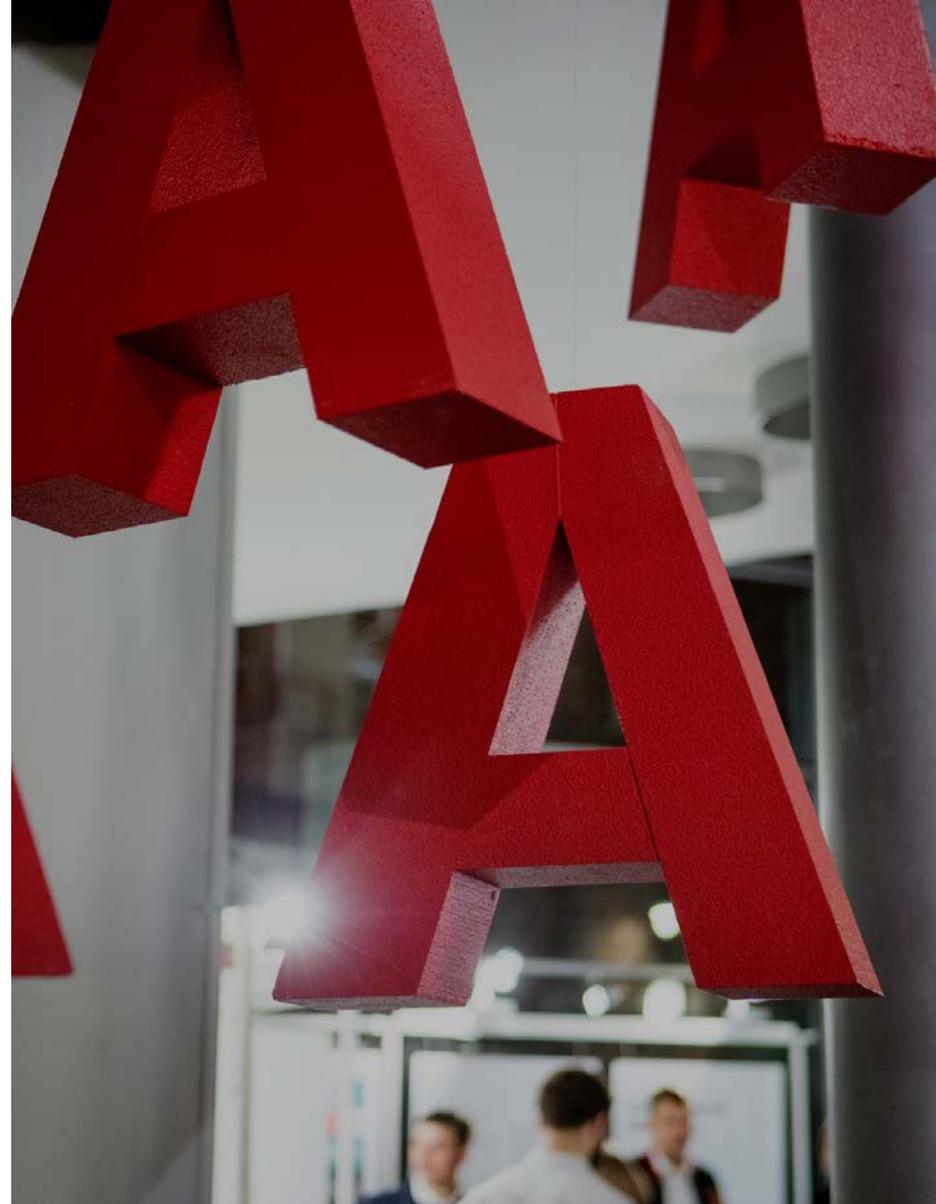
A?



Example: Finnish University Funding Model 2021-2024 => Input to universities' strategic plans => Worth cascading some targets within the university?

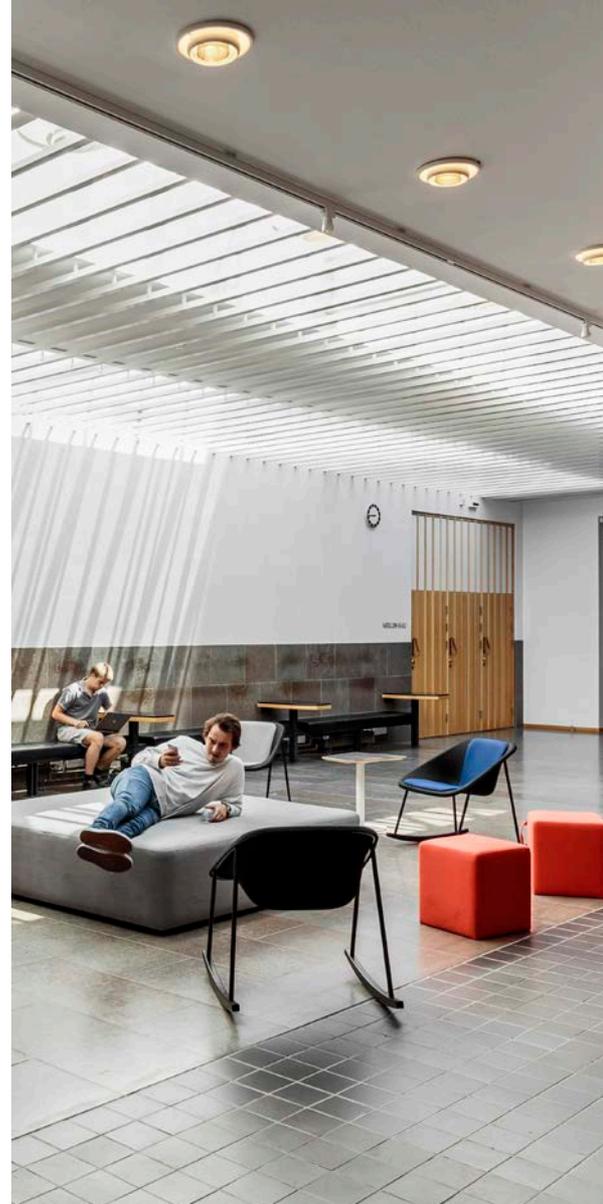


Developing Performance



From good performance to excellence

- **Annual performance discussions focused on looking forward**
 - What support/capabilities do you need to excel even better than today?
- **Coaching, mentoring, shadowing**
- **Systematic competence development**
- **Job rotation (professional services)**
- **International assignments (academic staff)**
 - “Go and explore what great looks like”



Poor performance

We know how to deal with it in some corners...

- Tenure track is “merciless”
 - Employment ends when evaluation criteria not met
- Doctoral students need to show progress
 - Employment contract not renewed after e.g. 2 yrs if the performance is below expectations (study right remains)



... but why is it so difficult in others?

- High threshold for addressing poor performance or work ability issues when it cannot be done by not renewing the contract
- Performance improvement plan available as a vehicle
 - Well suited for all permanent employee groups
 - Gives space for making changes in job content, work environment etc
 - Badly underutilized

Towards a better world.



aalto.fi