

Management and Organizational Practices Survey (MOPS) for Businesses

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Outline of Presentation

- **Motivation**
- **Context**
- **Data & Methods**
 - Survey Design
 - Part One: Questionnaire
 - Part Two: Case Study
- **Findings**
- **Future Research**

Motivation

Within Firm Analysis

- Can differences in management practices predict business-unit productivity?
- Do more structured management practices vary by differences within firms?
 - Business Function
 - Measures of Delegation/Autonomy
 - Manager – Employee Relationships
 - Performance Management/ Employee Evaluations*

* Focus of present findings/discussion

Context

Company

“PharMed”, a multinational pharmaceutical company, headquartered in U.S

Opportunity

To measure changes in manager practices before-and-after company-wide roll-out of manager training initiatives.

Using,

- Heterogeneity by location, business functions, and units
- Internal linkable data
 - Company census and performance records
 - Other data: e.g. annual employee satisfaction surveys
- Productivity data function-by-function
- Performance Management data

Data & Methods (I)

Content Development Process

1. Develop questionnaire, benchmarking **U.S. Census Bureau's MOPS & ASE**
 - **Ignore** questions answerable with administrative data
 - Focus on adapting questions that can be **applicable** across business functions
2. Include three PharMed-specific questions
 - Extent to which delegated work entails “**stretch**” activity
 - Extent to which employees’ work is **self-directed**
 - Extent to which manager uses **HR Business Partners**
3. Two Rounds of Cognitive Testing*
 - **Exploratory** (4 managers from 4 business functions)
 - **Confirmatory** (4 managers from different business functions than 1st round)
4. Usability Testing
 - Three rounds of **Beta Testing**
 - » Conducted as ‘**pre-work**’ before first offerings of manager training courses

Data & Methods (II)

MANAGER PRACTICES INVENTORY (MPI)

10 questions benchmarked from U.S. Census Bureau's **MOPS & ASE**:

- How many and what type of goals or targets for business deliverables and other monitored performance indicators are set [**TARGETING**] (3 questions)
- How frequently activity is **MONITORED**. For example: Checking in on Goals & Giving feedback about Behavior of employees (4 questions)
- How achievement of those Goals is **INCENTIVIZED** (2 questions)
- What kind of **DATA** is used in **DECISION MAKING** (1 question, parts a, and b)

Instead of retrospective questions, **parallel questions** about:

1. Respondent manager's own management practices
2. Respondent manager's supervisor's activities

Manager Practices Inventory (MPI)

MONITORING, example question:

8. How many GOALS (elements that contribute to how employees are rated in performance reviews) are currently evaluated for direct reports in the following teams?

Mark one box for each management level

	My Team	My Supervisor's Team
1-3 goals	<input type="radio"/>	<input type="radio"/>
4-6 goals	<input type="radio"/>	<input type="radio"/>
7-9 goals	<input type="radio"/>	<input type="radio"/>
10 or more goals	<input type="radio"/>	<input type="radio"/>
No goals	<input type="radio"/>	<input type="radio"/>

Please use this space to further explain your response: [text box offered]

Note: "My team" refers to all employees who report directly to you and "My Supervisor's team" refers to all employees who report directly to your supervisor.

Manager Practices Inventory (MPI): Respondent Popn.

May 2017: random sample of all People Managers below Sr. VP level

(Over 70% response rate: n>400 respondents)

Distribution of Respondents by Region and Function:

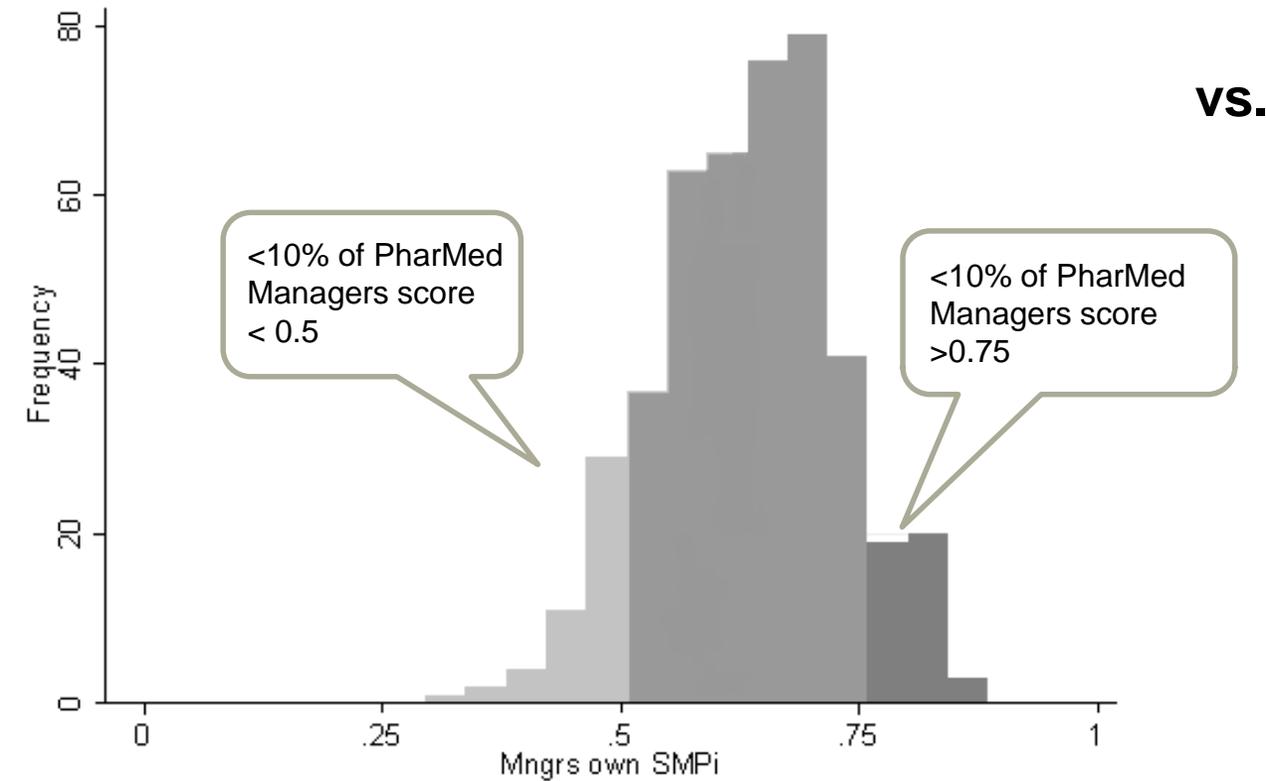
Region	Percent of Respondents
US	66 %
EU +	30 %
APAC	3 %
LATAM	1 %

Function	Percent of Respondents
Manufacturing	66 %
Sales/Ops	21 %
R&D	18 %
Medical	7 %
Finance	7 %
IT	7 %
HR	4 %
Remainder	<1 %, each

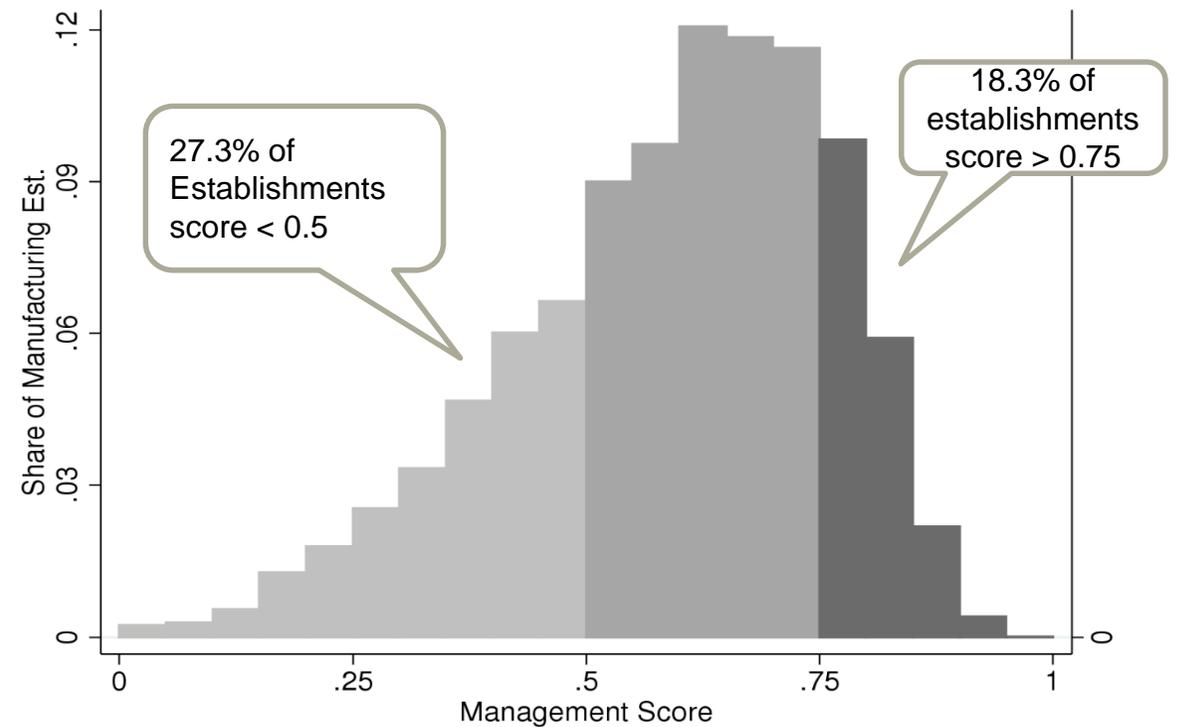
- Response rate does vary by region due to language barriers.
- Response rate does not vary by function (manufacturing, purposefully over-sampled).

Distribution of Structured Management Scores

All PharMed People Managers, 2017



US Manufacturing Establishments, 2010



SMPi: Management Score for individual managers

Source: Bloom, Brynjolfsson, Foster, Jarmin, Saporta-Ecksten, and Van Reenen (2013).

Outcome of Interest (I): Measure

Accuracy in PERFORMANCE RATING DECISION:

- At the end of the Management Practices Inventory (MPI),
 - PharMed people managers respond to a hypothetical case situation
 - » regarding what **Overall Performance Rating (OPR)** to give an employee
 - » who objectively under-performed this year relative to their official performance rating from the prior year.
 - » [Objectively = following PharMed guidance on performance rating decision-making]
 - **Outcome:** whether respondent manager gives an inaccurate (inflated) rating to under-performer

Outcome of Interest (II): Measure

12 randomized conditions capturing observed rating decision factors:

- Difference from **Prior Review** [3 conditions]
 - performance of *'solid'* whereas previously received *'exceptional'*
 - performance of *'partially met'* whereas previously received *'solid'*
 - performance of *'partially met'* whereas previously received *'exceptional'*
- Dimension of **Performance Evaluation** [2 conditions]
 - Work delivery: the *'what'* dimension of an employee's past year work delivery performance
 - Behavioral: the *'how'* dimension of an employee's past year behavioral style and actions
- Team **Reorganization** Element [2 conditions]
 - employee is a *new transfer* into the manager's line of direct reports
 - manager is a *new manager* to a set of direct reports, one of whom is the employee under consideration in the case.

Outcome of Interest (III): Example

Imagine you are evaluating your team of direct reports during the year-end review process. Since last year's review process an employee, Jim, has been transferred to your team after a couple of years working under another manager who is responsible for similar organizational goals as you. He was transferred to you with the understanding that he has the skills and aptitude to contribute meaningfully to your team's organizational deliverables.

Last year, Jim's previous manager gave him a rating of Solid (2, 2). Jim upholds all of PharMed's core behaviors. However, since Jim came to your team ten months ago, the quality of his work has been disappointing. You have held several one-on-one meetings with Jim to discuss expectations and what Jim needs to do in order to meet them but despite this attention, Jim's work has not been improving.

This year, when evaluating Jim, you make the following rating decision:

	Work contribution (WHAT)	Behavior/Demeanor (HOW)	
Outstanding	(3 ,	3)	<input type="radio"/>
Exceptional	(3 ,	2)	<input type="radio"/>
Exceptional	(2 ,	3)	<input type="radio"/>
Solid	(2 ,	2)	<input type="radio"/>
Partially Met	(2 ,	1)	<input type="radio"/>
Partially Met	(1 ,	2)	<input type="radio"/>
Unsatisfactory	(1 ,	1)	<input type="radio"/>

Outcome of Interest (IV): *Inaccuracy* in Performance Rating

20% respondent managers give an *inaccurate* performance rating,
with average accuracy ranging considerably over case conditions:

Experimentally assigned conditions
2 x 2 x 3 = 12 different possible
Case conditions assigned to
People Manager Respondents :

Percent Inaccuracy on Case by Condition		n	
New Employee	17.89%	246	
New Manager	20.80%	250	496
Behavioral Concern	14.74%	251	
Work Quality	24.08%	245	496
Exceptional->Solid	3.61%	166	
Exceptional or Solid->Partially Met	27.27%	330	496

Findings

- The ***more structured*** the approach taken to managing, the *more likely* a manager is to give an accurate performance rating in a difficult performance review situation:
 - Roughly 1.47* times more likely to accurately rate given a standard deviation increase in Structured Management Practice (SMP) score ($p < 0.05$).
- How a manager views their own supervisor's management style is important. The more they view ***their own supervisor*** taking a structured management approach, the *even more likely* a manager is to give an accurate performance rating in a difficult performance review situation.
 - Managers are 1.71** times more likely to accurately rate given a standard deviation increase in views of their supervisor's SMP score ($p < 0.004$).

What's Next

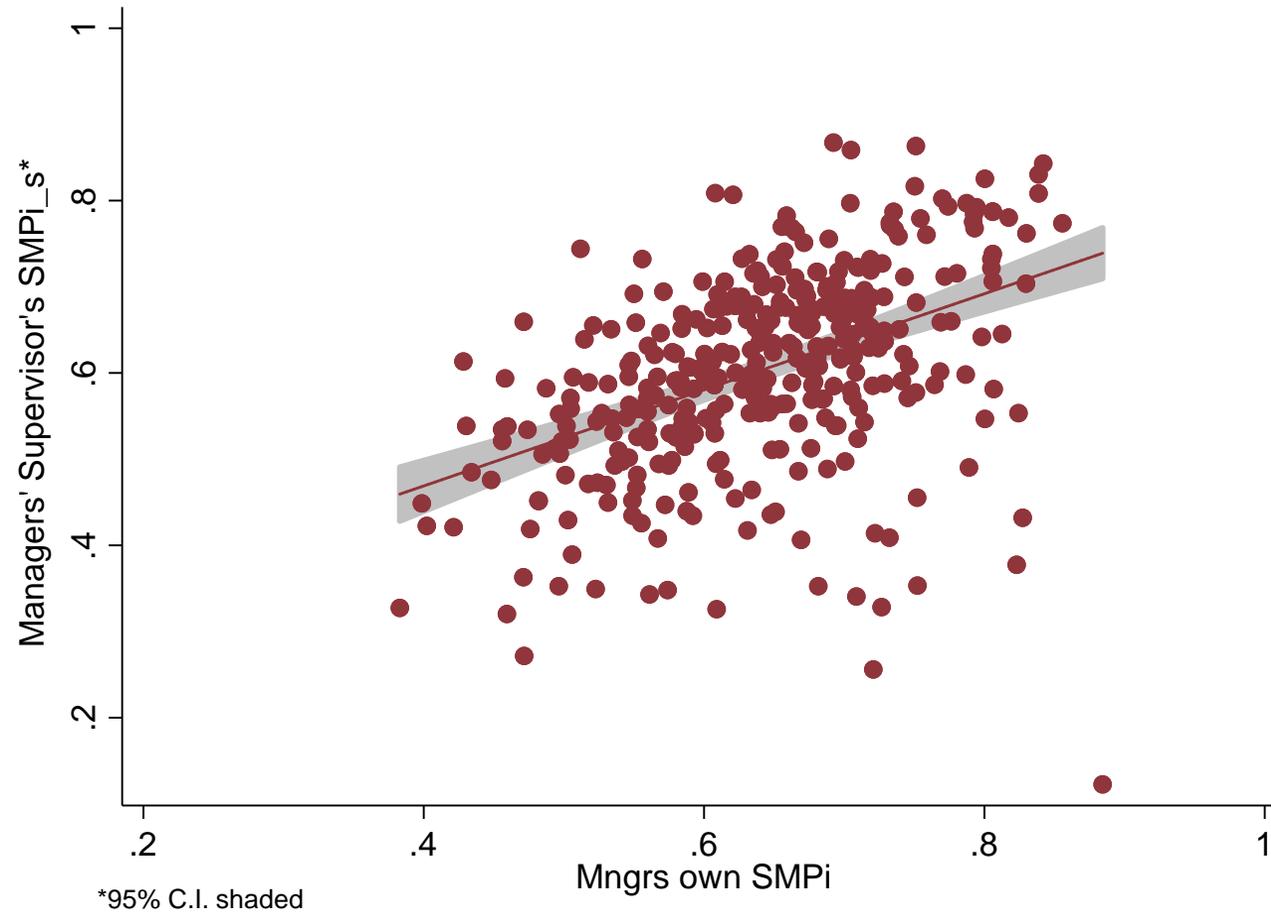
- **Evaluating the Impact of Manager Training Courses**
 - Manager Practices Inventory (MPI) to measure the impact of manager training on manager practices and unit outcomes.
- **Productivity Research:**
 - Structured Management Practices (SMP) scores and relation to unit/function area productivity
 - Within and across business functions
 - » R&D: e.g. Pipeline Valuation Index (PVI), Net Present Value (NPV)
 - » PO&T, Commercial, etc.
- **Other Human Resource Outcomes:**
 - Turnover, Promotion, Lateral Moves, etc.

Thank You!

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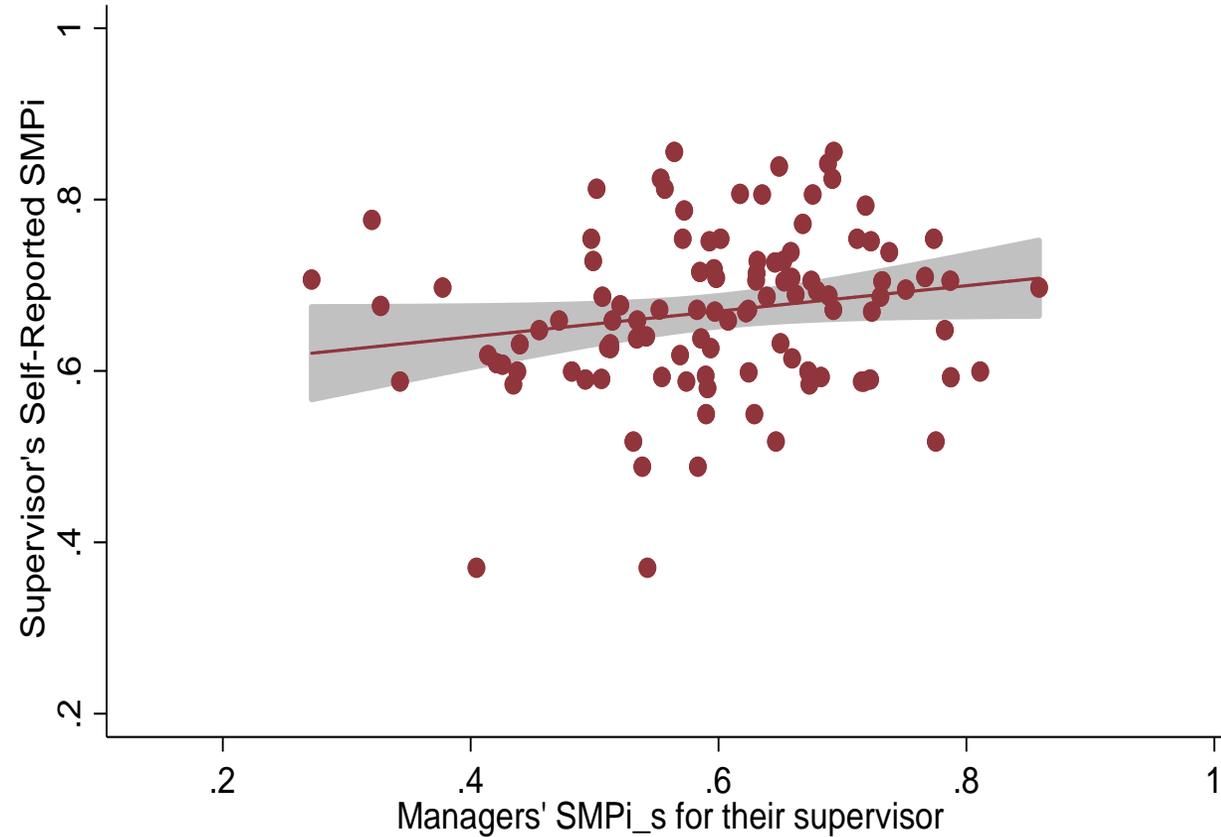
Additional Analyses (I)

Manager's own Structured Management Practices (SMP) score collinear with their perception of their Supervisor's SMP score [Coeff=0.55*** S.D.=0.06]



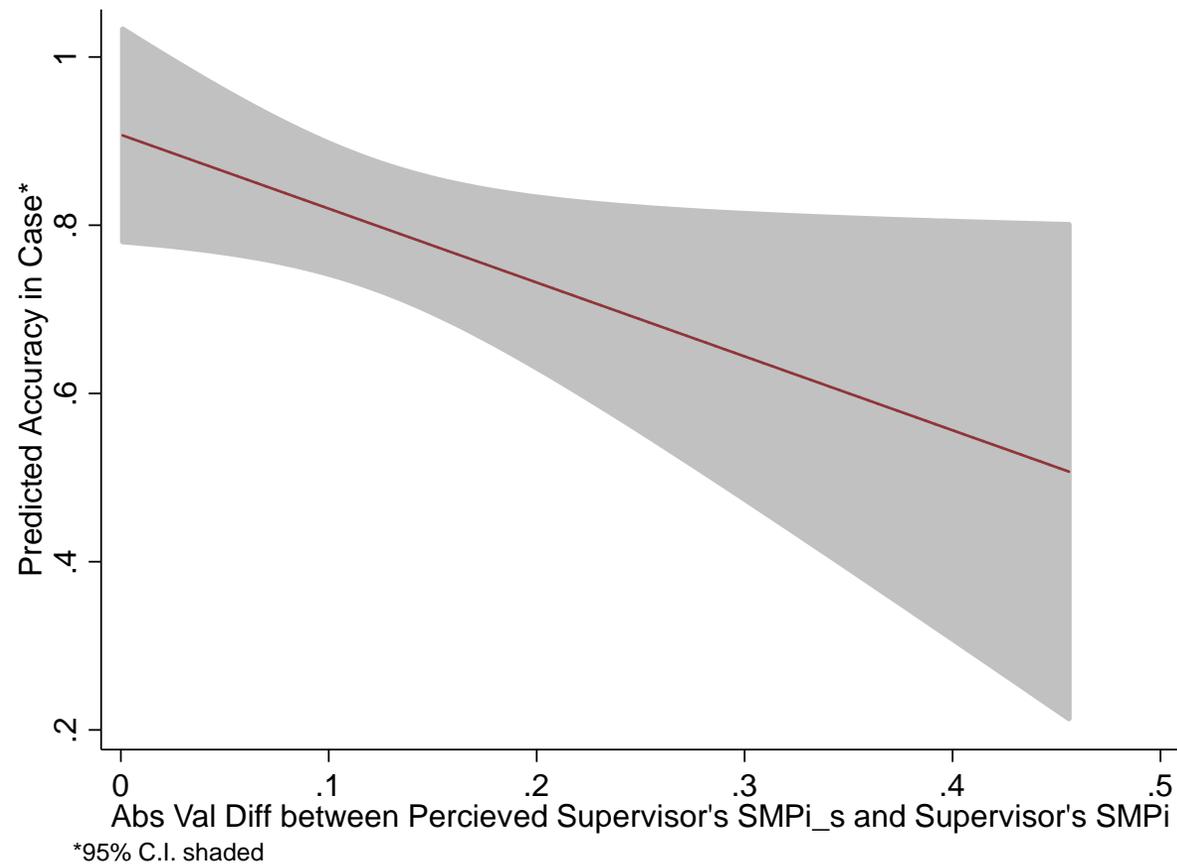
Additional Analyses (II)

Relationship between a Manager's perceived Supervisor's SMPi_s and that supervisor's own self-reported SMPi is weak. [Coeff=0.15 s.d=0.08 p<0.06]



Additional Analyses (III)

Still, accuracy/alignment between a Manager's perceived Supervisor's SMPi_s and their supervisor's own self-reported SMPi is somewhat a predictor of accuracy.



MANAGER PRACTICES INVENTORY (MPI)

TARGETING, example question:

1. Which of the following best describes the time-frame of current business goals for the following teams?

Mark one box for each management level

	My Team	My Supervisor's Team
Main focus is on quarterly (3 month) business goals	<input type="radio"/>	<input type="radio"/>
Main focus is on annual (1 year) business goals	<input type="radio"/>	<input type="radio"/>
Main focus is on long-term (more than 1 year) business goals	<input type="radio"/>	<input type="radio"/>
Combination of short-term and long-term business goals	<input type="radio"/>	<input type="radio"/>
No business goals/production targets	<input type="radio"/>	<input type="radio"/>

Please use this space to further explain your response: [text box offered]

Note: "My team" refers to all employees who report directly to you and "My Supervisor's team" refers to all employees who report directly to your supervisor.

MANAGER PRACTICES INVENTORY (MPI)

TARGETING, example question:

2. How difficult is it to currently achieve business goals in the following teams?

Mark one box for each management level

	My Team	My Supervisor's Team
Possible to achieve with minimal effort	<input type="radio"/>	<input type="radio"/>
Possible to achieve with less than normal effort	<input type="radio"/>	<input type="radio"/>
Possible to achieve with normal effort	<input type="radio"/>	<input type="radio"/>
Possible to achieve with more than normal effort	<input type="radio"/>	<input type="radio"/>
Possible to achieve with extraordinary effort	<input type="radio"/>	<input type="radio"/>

Please use this space to further explain your response: [text box offered]

Note: "My team" refers to all employees who report directly to you and "My Supervisor's team" refers to all employees who report directly to your supervisor.