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ANNUAL PERFORMANCE REVIEW:

three words that can inspire fear and dread in the heart of many an employee. No matter how much our rational brains can see the fruits of our labour, there's very often an obnoxious roommate in our heads telling us we aren't good enough. Our imposter syndrome tells us that the time has finally come when everyone realises we don't know what the heck we're doing.

by Catherine Blersch

Granatians aren't immune to these jitters. We have just finished our annual feedback loops, and despite our best efforts in refining our home-grown process to make everyone feel comfortable, the dread of critical feedback still makes its presence known. **Why do these situations spark anxiety in so many of us?**

I found some clues recently in the book Cultures of Growth by Mary C Murphy. To understand her work, we first need to step back in time to 2006 and the influential work of Carol Dweck. Her famous TED talk and book Mindset introduced us to the idea that mindset trumps ability in charting a course for a fulfilling life. Mindset, in her vernacular, refers to our belief about the extent to which intelligence and ability are either fixed or malleable. In a fixed mindset, we believe that intelligence, abilities and talents are inborn and static. We see struggle and challenge as a sign that we lack ability, and we often feel threated by competition from others. In a growth mindset, we believe that intelligence and skills can be developed through effort and perseverance. We see struggle as a necessary part of learning and growth, and value tenacity and perseverance in ourselves and others.

Dweck applied these concepts across a variety of areas – not just work, but also our approach to relationships. Our

core beliefs about whether people are capable of growth and change can have wide-ranging impacts. I read *Mindset* in my pre-Granate days while I was wading through the emotional quagmire of trying, and failing, to get a small business going by myself. The book completely shifted my perspective away from failure, to seeing the experience as an incredible opportunity to learn and grow. These ideas continue to challenge me to push outside of my comfort zone, and to search for potential in people rather than shortcutting to static judgements about their abilities.

However, as with many ideas in popular psychology, Dweck's work has been distilled over time into an overly simplistic interpretation of reality. Mary Murphy, who studied under Dweck, points to two key issues with the common understanding of the topic. Firstly, a false dichotomy has been created in which it's believed that a person is either fixed minded or growth minded. Fixed is always bad and growth is always good. One could totally imagine a tech company saying, "Sorry, but you're just not growthy enough for us." Secondly, it has been assumed that mindset is entirely within the control of the individual. This ignores the role that the mindset of the people and culture around us can play in influencing our thinking. The irony is that this kind of static thinking is a very fixed-minded way of viewing things!

Murphy argues that mindset in fact exists on a continuum, and while we might have natural inclinations or 'set points', certain types of situations can act as triggers, shifting us towards the more extreme ends of the spectrum. These include evaluative situations where we anticipate being assessed by others (e.g., presentations or meetings), high effort situations where we have to learn to do something novel, critical evaluations where we receive feedback, and the success of others where we contrast and compare. Traditional performance reviews are evaluative situations and they often include critical feedback, two strong mindset triggers. Approaching performance reviews with a fixed mindset, we fear critical feedback because our brains perceive it as a threat and a judgement, not just of our abilities, but also our worth as a person. However, if we can shift to a growth mindset, feedback can feel exciting because we are motivated by learning and growth. We know the goal isn't perfection, but instead to improve and stretch ourselves.

The second point Murphy makes is that when you bring a group of people together, a collective mindset forms. An organisation's mindset refers to the shared beliefs about talent and ability that show up in the way that people are recruited, managed and evaluated. More fixedminded organisations, which she calls 'cultures of genius', tend to recruit only the superstars with the best on-paper credentials, emphasise innate talents and abilities, use tools like stack ranking that create a hierarchy of performance, focus only on results and outcomes, and encourage competition. By contrast, more growth-minded cultures recruit for attitude and potential, consider the process alongside results, encourage people to stretch outside their comfort zones, and foster a culture of continuous learning.

It may seem like growth cultures are 'soft' and that hard-charging competitive cultures would be needed to drive results. However, her work has found that the



opposite is true. Cultures of genius tend to break down because constant pressure to perform, coupled with performance systems that pit employees against each other, leads to fear, information hoarding, mini kingdoms, risk-avoidance, hiding mistakes, cutting corners and sometimes even major ethical failures. By contrast, cultures of growth can actually be quite demanding because they discourage complacency and push people in a healthy way through continuous feedback loops. This leads to better collaboration, innovation and creativity, inclusion, resilience and integrity.

Importantly, an organisation that clearly demonstrates to its members that learning and growth are valued, is far more likely to spark a growth-orientation in individuals when faced with things like feedback. We have been developing and iterating our feedback process for five years now and have been working hard to reduce the anxiety that feedback can induce. As part of our annual long feedback loops, all Granatians fill out surveys giving feedback on everyone. The surveys have had multiple revisions, thanks to input from the team, to prompt insights that feel more constructive and less judgmental. We've built in multiple check-ins throughout the year to try and normalise feedback. And we've created a development framework through which each person sets their own intentions and goals around their professional and personal development. We work hard to enable each person to find their sweetspot, but also encourage everyone to take on new challenges. We have recently started formalising more mini-teams to look after things like our Book Club, Social Committee and Granate Gives Back to provide more opportunities for Granatians to try something new. Most importantly, our process is aligned

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with our value of Mastery, which we define as 'keeping ourselves sharp for the benefit of our clients'. Our feedback loops ensure that we are constantly looking for ways that we can deliver better outcomes for our clients, both as individual Granatians and as the Granate collective. **We plan to never stop learning and growing.**

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