

## Improve performance with AMO theory

*Work performance depends on the ability, motivation and opportunity for employees in order to make their contribution and maintain their well-being. If just one of the factors is zero, then the total equation is zero. Read about AMO theory and how you can use it as a management tool.*

**By Anne-Marie Finch, Business psychologist MSc and Executive Consultant**

Your employees can be very competent and motivated, but if they do not have the opportunity to make a contribution, or if they do not thrive, then it goes beyond their performance on the job.

According to AMO theory our job performance is determined by Abilities, Motivation and Opportunities. That is, the employee's ability, desire and opportunity to make a contribution.

The three factors can't be left alone when it comes to employees' actual job performance. If you recruit and work with employees with high A, M and O, however, working for his or her own gain and not cooperating, it will impact the well-being and overall work performance. Therefore, well-being is a further element in the equation, which will be called  $A \times M \times O \times \text{well-being}$ . If one of the factors is zero, then the total accounts – ie. the overall performance of zero.

The article presents the AMO theory as a management tool for employees and organizations and the composition of teams.

### **What can you do as a leader to increase A, M and O?**

To increase A, M and O you can use the three factors as a structure of appraisal interviews by comparing your employee responses to your own perception of what they can, desire and have the opportunity for in order to gain a mutual understanding.

**Ability:** What do your employees experience being capable of?

**Motivation:** What motivates your employees, and which tasks specifically do they find meaning in?

**Opportunity:** Which opportunities do your employees experience having? An employee developmental plan should be based on the specific role and responsibilities of each employee. Ie. how do their role / responsibility match the strategy of the business? What contribution do the employees offer with his or her given function in order for the organization to succeed in its objectives? And how can you unfold his or her AMO potential even more?

## **Develop robust organizations with AMO**

Looking at the organization as an organism, all bodies must play together cross functionally. It is not enough that the lungs utilize their vitality to the fullest, if capacity is weaker in other parts of the body.

In order to create well-functioning teams, it is crucial that managers look inwards and assess the composition of their employee profiles. The risk of a wrong team composition is solely that the management won't succeed in creating a culture of trust, which increase the risk of disabling necessary synergies between Ability, Motivation and Opportunity in overall team performance.

## **With the well-being of the equation**

You can hire the most executing, analytical project managers, specialists and managers (Ability), develop them and involve them (Motivation) and offer opportunities (Opportunity). But if these people can't cooperate, take responsibility towards a common goal and show a proper attitude in their daily work their satisfaction rate and well-being will be weakened.

Over time, the organization can fall into a ditch of several sub-optimizing cultures where common values are missing in daily practice. If, for example, many of the employees who execute for their own benefit are being promoted as high performers, there is a risk that the spot light comes on stars, looking at short-term results with a short-term behavior and a stagnant bottom up as a critical impact for the business and organizational flow. It can evoke a lack of feedback, envisaged silo tactical in communication and relevant knowledge is not shared – if it does not benefit their own perspective to share it.

## **Targeted passion as a prerequisite**

In order to develop employee potential, it requires that you as a leader know yourself and are willing to work with your own development.

As a leader, you should therefore at least semiannually ask yourself these questions:

- 1) What are my skills (A), my motivation (M) and my opportunities (O), when I look back, look into the present and imagine the future? How do I thrive in working with my colleagues?
- 2) How does my overall AMO fit with the AMO of my employees and their well-being?
- 3) How does my overall AMO and well-being fit with my parallel conductor colleagues and our overall strategy?

If you as a leader ensure this self-knowledge and self-management top down, you enhance knowledge and you gain an effective management toolbox to create daily direction, employee development and involvement bottom up.

### **A trust Culture creates results**

To create a culture where work performance is high, management must invest a conscious effort in ensuring a proper allocation of both management and employee profiles. And put this work on their strategic agenda.

If companies are successful at this very point, a culture of trust will have its best conditions. And in return it will heighten job satisfaction, the everyday desire to go an extra mile and the individual courage to share knowledge that management relies on in order to navigate their business proactively.

Most managers and employees want to work for a common goal rather than their own. It creates robust organizations where employees thrive and work passionately. This top down and bottom up connectedness amongst employees at the same time minimizes prestige and political power as the main behavioral business drivers building everyday performance with cultural distrust and sub-optimization.

A culture build on trust is difficult to document in the short term, and therefore key business goals for each employee and departments – with the related important human functional skills rather than interpersonal as to what kind of person you are in the day to day cross functional corporation – have taken over and can serve as the goal rather than the means to success. If companies don't pay the necessary strategic attention to not only how you build an organizational infrastructure with the strategic necessary people functions, but you also focus importantly on what kind of people skills you build your company trust upon.

Are you alone focusing on hiring and retaining highly effective people striving to be the no. 1 best without having very much preference to corporate, understand and connect with their colleagues and employees – unless it has a specific business result pay off? Does your company primarily honor people working for themselves and their own business siloes as the present and future company stars or does your company honor people working together as to secure a common goal? And does your company know the difference between the two and know which employees and high performers are belonging to each of the two groups of employee values?

It may seem right to eschew the qualitative, as culture is, for fast results. But the risk of developing a non-robust organization increases highly since culture is created by people only. A non-cooperative system lapse trust and confidence in everyday life and the necessary value chain knowledge sharing stagnates.

The article is based on the following literature:

- Boselie, P.: "High performance work practices in the healthcare sector: a Dutch case study". *International Journal of Manpower*. Vol. No. 31 1, 2010, pp. 42-58.
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