

The performance you are hiring for is already on your payroll.

An executive brief on the psychological delta — for HR leaders in small, tight labour markets.

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01 The problem you already know

Malta has almost no unemployment and one of the highest vacancy rates in the EU. Roughly 40% of the active workforce is non-Maltese, nearly a third of those workers leave within their first year and half within three, and the economy-wide labour turnover ratio passed 80% in 2022. In the FHRD/PwC HR Pulse Survey 2025, availability of skills and difficulty attracting the right talent tied as the top workforce challenges, at 53% each, with retention close behind at 43%.

Bulgaria, another market in my focus, has the opposite symptom: a shrinking population and a posted vacancy rate near the EU's lowest, because employers stop posting what they know they cannot fill. Two opposite signatures. One broken door.

Both countries are doing what every organisation does when it needs more performance: going to the labour market to buy better people. This brief is about why that door is narrower than it looks, and about the second door most organisations have never opened.

02 The finding that changes the question

For a century, psychology measured people once and gave them one score. You are an 82. He is a 74. Hire the 82.

Then researchers started measuring the same people repeatedly, daily or weekly, for weeks. The scores would not sit still. Depending on the study, roughly 40 to 65 percent of the differences in job performance turned out to lie within the same person, between their better and worse days, rather than between different people. In one company, 167 salespeople were tracked for 26 weeks on real sales figures, and 73% of the variance in weekly sales was inside the individual salesperson, not between them.

The gap between an employee at their best and the same employee at their worst is about as large as the gap between two different employees. Often larger.

03 Why hiring cannot reach it

Selection does real work, and the best of it is good. The strongest procedure we have, the structured interview, predicts about 18% of the differences between people. What no selection procedure can predict is the difference *within* a person, and that is not a flaw in the method: no choice among candidates can manage how the chosen candidate will vary once hired.

There is a second problem. An interview samples a person's maximum performance: one hour, observed, high stakes. A job runs on typical performance. The two are only weakly related; in one classic study, typical and maximum performance correlated at just .11 to .32. We interview the peak. We employ the distribution.

So even a perfect selection process competes for a fraction of one half of the performance variance. The other half is not on the market. It is already on the payroll, and almost no organisation manages it.

40–65% of the differences in job performance sit inside the same person, not between people.

18% is what the strongest hiring procedure, the structured interview, predicts about the differences between people.

04 The psychological delta

I call that within-person half the psychological delta, and it breaks into four quantities you can actually observe:

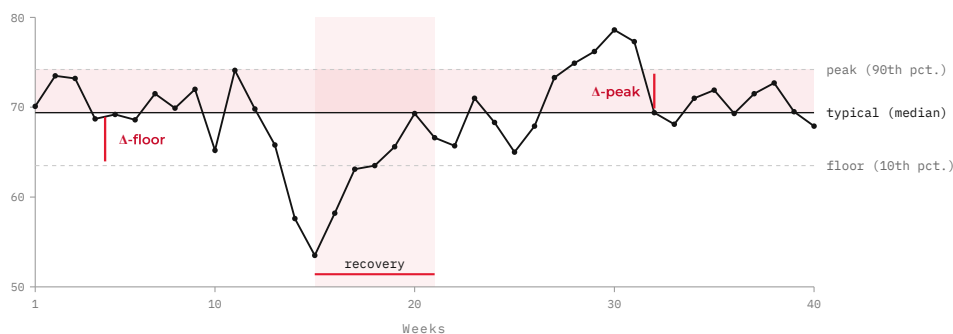
Δ -peak The distance from a person's typical day to their best day. This is the reserve. Unlike a candidate's potential, it is not a prediction: the good days have already happened, in your organisation, on this job.

Δ -floor The distance from typical down to their worst day. This is what fatigue, stress and friction cost, and it is where presenteeism is paid for: in the largest study of lost productive time, 71% of the loss came from people who were at work but performing below their level, not from absence.

Δ -total The full range, read together with the average. A wide range around a high average is flexibility. A wide range around a low average is exposure.

Recovery How fast the person returns to their typical zone after a bad stretch. Of the four, this is the one leaders influence most and measure least.

The management objective follows directly. Not higher peaks. Raise the floor, and shorten the return.



One person, sampled weekly: the typical level, the peak and the floor, the two distances that make up the delta, and the time it takes to return. Illustrative series; the construct is defined in the paper, Section 2.5.

05 What to do with it — four moves

01 Read ranges, not averages.

An annual rating collapses a year into one number; a four-week range read gives you the distribution. Each Friday, every person on the team takes 30 seconds: on a grid of the week's 10 half-days, they mark their best half-day and their worst. Next to each mark, one fact, not a feeling: what was in the calendar in the two hours before it. A meeting, a deadline, a night of five hours' sleep, a commute, an interruption. After four weeks the manager holds eight marks per person, and the pattern is usually visible by week three. Peaks cluster — Tuesday mornings with nothing before 11:00. Floors cluster — Thursday afternoons after the status meeting. Recovery is read off the same grid: how many half-days from a floor mark to the next ordinary one. Then one conversation, with the grid on the table: "Your best half-days all have this in front of them. Your worst all have that. Which of that can I move?"

Measure after 30 days: the share of people whose peaks fall in protected hours. It should rise.

02 Protect attention.

Knowledge workers average about 11 minutes on a task before switching and need about 25 minutes to return. Peak performance depends on the one condition interruption destroys, so protection has to be scheduled, not hoped for. Two moves. First, two 90-minute blocks per person per week, placed at the hours their range read shows as peaks, with one rule: no meetings, no expected reply, escalation by phone only. Second, a meeting audit: for every recurring meeting, ask what decision it produced last time. No decision two weeks running — halve it or cancel it.

Measure after 30 days: interruptions per protected block, week 1 against week 4; recurring meeting hours per team, before and after the audit.

03 Train as a system, not an event.

Organisational training produces medium-to-large effects across reactions, learning, behaviour and results, and leadership development transfers at $\delta \approx .82$ — but the meta-analytic record favours spaced, multi-session programmes with feedback over single events, and transfer collapses when the environment after the programme is not built to receive it. The system has three parts: a measurement before, so each manager starts from their own baseline rather than the cohort's average; the programme in weekly doses, so each week's practice meets the next week's work; and one behaviour per manager, agreed in writing with their own manager, that the organisation commits to notice and reward. Re-measure after three to six months.

Measure: the before/after change per manager, and the share of agreed behaviours their own manager can name unprompted.

04 Make error cheap to admit.

Psychological safety predicts information sharing, engagement and performance, and the classic finding is counter-intuitive: better teams report more errors, because they hide fewer. A punitive climate pushes performance variation underground — employees conceal exactly the range you need to see. Three habits build the opposite. The leader opens the weekly team meeting with one thing they got wrong that week and what they changed. The team keeps a near-miss line in its log, filled in without names. And the first reply to any reported error is "thank you — what do we change?", never "who?". Whatever you measure about people must operate as coaching, never surveillance, or the reserve closes in front of you.

Measure after 30 days: self-reported errors and near-misses per month. In the first quarter, the number should go up. That is the signal, not the problem.

In a labour market where nearly three in four employers struggle to fill the roles they need, the largest untapped source of performance is not on the market at all. **It is the distance between the versions of the people already hired.**

06 If you want to measure it in your own teams

A three-week diagnostic, for one to three teams. **Week 1:** we agree the scope, I brief every team and gather the operational data you already keep. **Week 2:** the DynamixLab diagnostic runs — confidential, about 15 minutes per person. **Week 3:** you receive the results and a debrief with your leadership team: where the reserve sits in each team, what is present in the good weeks, and what a programme would need to change. Results are reported only for groups of five or more, and nothing is used for appraisal, pay or selection.

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THE RESEARCH

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Sources: Dalal, Alaybek & Lievens (2020), Annual Review of Organizational Psychology and Organizational Behavior · Stewart & Nandkeolyar (2006), Personnel Psychology · Sackett et al. (2022) and Sackett, Zedeck & Fogli (1988), Journal of Applied Psychology · Stewart et al. (2003), Journal of Occupational and Environmental Medicine · Mark, González & Harris (2005), CHI · Arthur et al. (2003) and Lacerenza et al. (2017), Journal of Applied Psychology · Frazier et al. (2017), Personnel Psychology · Edmondson (1996), Journal of Applied Behavioral Science · ManpowerGroup Employment Outlook Survey (2026) · Eurostat (2026) · Central Bank of Malta (Borg 2025; Grech 2023) · FHRD & PwC HR Pulse Survey 2025 · Balabanov (2025, 2026). Full reference list in the paper.