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The Set-Up-to-Fail Syndrome

> The greatest blunders, like the thickest ropes, are often compounded of a multitude of strands. Take the rope apart, separate it into the small threads that compose it, and you can break them one by one. You think, "That is all there was!" But twist them all together and you have something tremendous.
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> —Victor Hugo

Problem, What Problem?

When an employee fails—or even just performs poorly—managers typically place the blame outside themselves. The employee doesn't understand the work, a manager might contend; or the employee isn't driven to succeed, can't prioritize assignments, or won't take direction. Whatever the reason, the boss often assumes that the problem is the employee's fault—and therefore, the employee's responsibility.

But is it? The answer, of course, is sometimes yes. Some employees are not up to their assigned tasks, and never will be, owing to lack of knowledge, skill, or simple desire. But sometimes—and we would go so far as to say *often*—an employee's poor performance can be blamed largely on his or her boss.

Perhaps *blamed* is too strong a word, but it is directionally correct. In fact, our research strongly suggests that bosses—albeit accidentally and usually with the best intentions—are often complicit in an employee's lack of success. How? By creating and reinforcing a dynamic that essentially sets up perceived weaker performers to fail. We call this the *Set-Up-to-Fail Syndrome*. It describes a dynamic in which capable employees who are mistaken for mediocre or weak performers live down to low expectations, and often end up out of the organization—of their own volition or not.

In our experience, most bosses have contributed to such a dynamic at one time or another. Our aim, therefore, is to unravel the multiple biases, blinders, and misperceptions—on both sides of the relationship—that fuel this degenerative process. By illuminating the mechanisms involved, we will provide the necessary platform to *interrupt* these downward spirals and, ultimately, to *prevent* them from taking hold.

This book is about leadership, not the grand, intellectual side of leadership as exercised by those at the apex of organizations. We don't deal with fancy concepts such as industry dynamics, corporate transformation, or the creation of sustainable competitive advantage through strategic positioning. Instead we dissect the everyday, interactive, human side of leadership. This is a leadership book for the masses, for all those with one or more employees reporting to them. It is about leadership in the sense of *mobilizing the people on one's team*.

Mobilizing subordinates is certainly not the only dimension of a leader's job, but it is the defining feature and it does absorb the lion's share of a leader's time and energy. It is a challenge that has the same resonance for chief executive officers as it does for the heads of business units, project groups, or task forces. The way bosses interact with their immediate team has a huge impact on how their leadership influence cascades. It is therefore a key driver of results. But it is also a major generator of stress and frustration.

Before exploring boss-subordinate relationships in more detail, let's agree on some terminology. Many of our colleagues make a clear and fundamental distinction between "managers" and "leaders." Managers, they claim, perform optimally within an existing frame, whereas leaders create a new frame. John Kotter, for example, tells us that "management is about coping with complexity. . . .

Leadership is about coping with change."[1] Warren Bennis likes to say that "a good manager does things right. A leader does the right things."[2] We recognize those differences, but in light of the aspect of leadership we focus on in this book—the interpersonal and execution part of the job that is common to both roles—this distinction is not as critical. Managers *and* leaders have direct subordinates whom they need to mobilize. We will therefore refer to them interchangeably as bosses, managers, and leaders.

We also had to choose a term to refer to the people working for these bosses. We could call them "subordinates," "employees," or "associates." Employees risks leading readers to think in terms of blue- and white-collar workers rather than managers, the type of subordinates we mainly studied. Associates describes employees in some companies but "peers" in others, and fails to highlight the position of power that bosses—even in the most empowering organizations—have over the people who report to them. As a result and although the term is a bit old-fashioned, we chose to mainly use the word "subordinate" to refer to the people who report to, and whose performance is evaluated by, their boss.

Last but not least, a clarification on the use of genders: When speaking about real managers we obviously refer to them using their actual gender. When speaking about bosses and subordinates in general, we used the plural form or alternated the use of "he" and "she." We may not have succeeded perfectly, but we did try!

Walking a Tightrope: Concern with Results versus Concern with People

Meeting the numbers has always been a priority for managers, but in recent years managers have been increasingly held to their commitments. With ever more powerful and impatient capital markets quickly sanctioning underperforming companies, managers are themselves under intense pressure to hit short-term targets.

The pressure on managers to deliver results is compounded by the changing nature of their jobs. Advances in technology, allied to global competition, have made executives' work increasingly complex and fast-paced. For example, technology has allowed companies to set up committees or project teams that span geographical boundaries and time zones, coming together at intervals while keeping in touch electronically. As a result, we have seen a rising number of task forces and transitory, ad hoc types of structures in many companies. This trend has multiplied the activities that bosses have to manage concurrently, thus fragmenting their work and generating more setup costs. Managing projects also necessitates that bosses deal with people over whom they don't have full authority, which adds extra layers of complexity. And since those projects and assignments have short time frames, the pressure to show results intensifies.

Meeting tough performance targets under these frenzied conditions requires managers to motivate and provide clear direction for their people. To make sure that their subordinates execute tasks effectively, managers need to exercise strong discipline, control, and monitoring—which would seem enough of a challenge. But companies want *even more* from their managers—after all, there's a talent war going on out there! Therefore, companies *also* expect their managers to display positive values and to develop people. Companies know that good people have become highly mobile, and that a timely call from a headhunter, if they happen to feel frustrated or unappreciated, can prompt them to leave at any moment. Executives are therefore expected to coach, empower, encourage initiative and risk taking, foster loyalty and commitment, and show recognition. It's not just getting results that counts, but *how* executives get those results. Many companies have introduced evaluation systems that measure executives against results and according to the values and/or behaviors they display. Indications that a boss does not "walk the talk"—such as poor 360-degree feedback or excessive turnover—can spell serious trouble for that person.[3] Some companies also tie executive bonuses to the results of their 360-degree evaluations.

Thus bosses are increasingly held responsible for creating a work environment that is healthy and fulfilling for employees. At the same time, they risk getting canned for failing to meet the numbers. In effect, they have to negotiate a kind of tightrope. They are torn between wanting to empower employees and making sure that those employees can deliver on commitments; they want to show consideration toward subordinates without encouraging complacency; and they want to push for performance without alienating their subordinates.

You might expect that bosses would be either good or bad at walking this tightrope, but that is not what we observed in our research. Rather, we found that most bosses actually achieve the balancing act with some of their subordinates but fail with others. When we talked to employees rated as “higher performers,” their comments suggested that their boss was striking that balance: Sure, targets were tough, but the boss’s encouragement and support made them seem achievable, even stimulating. Of course discipline and measurement were necessary; how else could they learn and “own” their areas?

Employees rated as “weaker performers” presented an altogether different picture. According to them, their boss’s drive for results was *not* tempered by the same levels of consideration, recognition, or autonomy. They often regarded their boss’s help as interference, his or her suggestions inhibiting, monitoring unfair, use of metrics punitive, assignments unfulfilling, and so on. Instead of feeling challenged, they felt burdened and abused. Some of these subordinates’ testimonies were poignant. Many really cared about being successful and helping their companies to be successful, but could not perform to the best of their capabilities *because of* the way their boss managed them. It was the difficulty bosses have in achieving that balance with perceived weaker performers that first drew our attention to this area—and that slowly led us to discover the intricacies of how these dysfunctional relationships develop and self-perpetuate.

An important point: We use the term *weaker performers* rather than *underperformers* because the research we discuss in this book does not relate to the small percentage of employees who underperform severely and fall short of the firm’s minimum performance threshold. Our findings, and hence this discussion, pertain to employees whose overall performance is lower than some of their colleagues’ but still exceeds the firm’s minimum-performance threshold. They are not employees the firm wants to let go; rather, they contribute to the firm's performance, but not as much as some of their better-performing colleagues.

Distress Signals

We don't want to give away the whole story in a few words at this stage, as it deserves to be unfolded carefully and systematically to make sure we highlight all the relevant mechanisms. Still, we can outline the basic problem as follows.

The set-up-to-fail syndrome begins innocuously enough. The triggering event could be specific—perhaps an employee misses a target or a deadline, loses a client, or gives a poor report or presentation. The trigger could also be quite vague—maybe the employee arrived from another unit with a lukewarm recommendation or reacted oddly to early advice from the boss. In any case, something sows a doubt in the boss's mind, and the boss begins to worry that the employee's performance may not be up to par. The syndrome is set in motion.

The boss then does what seems obvious in view of the subordinate's suspected shortcomings: He or she gives more time and attention to the subordinate. The boss starts providing more "guidance" when assigning tasks, tries to be more involved in the subordinate's decision-making process, and monitors corrective actions and progress more frequently and intensely (to make sure things are on track). The boss typically means well. He is only trying to boost performance and prevent the subordinate from making errors.

Unfortunately, subordinates often interpret that heightened supervision as a lack of trust and confidence. Their initial attempts to fight back seem to have little impact on the boss's opinion of them—and pretty soon instead of putting in more effort, they put in less. Deprived of elbowroom, they start to doubt their own thinking and ability, and they lose the motivation to make autonomous decisions. Feeling second-guessed much of the time, they figure, "Why should I take risks when the boss won't appreciate it anyway?" Or else they hunker down and get on with the job but try to steer clear of the boss.

Thinking—mistakenly—that the subordinate's withdrawal confirms that he is indeed a weaker performer, the boss begins to intensify her involvement in the subordinate's affairs. For example, the boss makes sure to define tasks very clearly, establishes precise and frequent milestones, and then closely monitors performance (to make sure the subordinate doesn't "get in trouble"). She sets challenging targets and objectives, to make sure the subordinate maintains the appropriate degree of drive and energy. Meanwhile, she increasingly steers important and risky assignments away from this subordinate and toward colleagues she deems more reliable. Frustrated, the subordinate may start to retaliate by ignoring instructions, failing to stand up for the boss in front of other employees, or even arguing with her. He begins to do only what is necessary to get along, devotes increasing energy to self-protection, and gives up any dream of making a meaningful contribution.

Of course, not all relationships degenerate to quite that extent. Sometimes, boss and subordinate just settle into a routine that is not really satisfactory but, aside from periodic clashes, otherwise bearable. In more extreme cases, the pair plunges into an adversarial relationship that really brings out the worst in each other. The subordinate sees the boss as intransigent, interfering, and hypercritical; the boss sees the subordinate as inept, uncooperative, and indecisive. They are well and truly caught up in the set-up-to-fail syndrome.

The sad reality is that once people are miscast as weaker performers, they tend to live down to that image regardless of their capabilities. Our research suggests that the set-up-to-fail dynamic can take hold in a remarkably short time—and that once it does take hold, it proves very hard to reverse. Our research also suggests that false perceptions play a significant role in the initial performance "categorization." That is why we call it a "set-up."

Why do we call it a "syndrome?" Because it is based on an array of observable behaviors. In medicine, a syndrome is a set of symptoms that, taken together, point to a particular pathology and suggest a specific cure. The symptoms here include a certain perceived lack of drive and motivation; an apparent lack of ability or willingness to act autonomously and to "own" issues and tasks; a tendency to resist innovation and new ideas and to hoard information; a propensity to focus on problems rather than solutions; and often a diminished ability to lead any subordinates to excellence.

The syndrome begins when the boss responds, seemingly reasonably, to the first instance of perceived poor performance. The boss thinks, "I've got to push and prod these subordinates to perform"; "I've got to give them more guidance to make sure they're approaching tasks appropriately"; and "I've got to monitor their work to make sure they don't let problems get out of hand." The response is reasonable, for sure. Its effectiveness is less obvious, as we will discuss later.

Note that we talk liberally about "bosses" in general, as if every boss reacts to perceived weaker performers the same way. This is a generalization designed to communicate our point quickly, but it is not that much of an exaggeration. As we will discuss in chapter 2, the research that we and others have conducted suggests that most managers across hierarchical levels, types of companies, and national cultures seem to ascribe to a "common-sense" theory of how to deal with weaker performing subordinates.

Note also that managers are not the only people in positions of authority to confront this problem. So do teachers, who encounter the "underperforming pupil syndrome" every day: A child doesn't listen properly, has a short attention span, is unresponsive, regularly displays inexcusable gaps on topics that were discussed minutes ago, and shows a propensity for unruly, sometimes delinquent behavior. Sports coaches, who face the "underperforming player syndrome" also grapple with this issue: A player displays inexcusable lapses of concentration, refuses to follow the coach's basic instructions, tries to do everything alone, or tries plays that she or he is not capable of performing while refusing to stick to basics.

Like most bosses, teachers and coaches respond in a clear-cut way: they discipline the student or athlete and exert more control, choosing to give a detention or bench the athlete until he or she understands better who's the boss! In any kind of leadership setting—business, school, sports—these responses are reasonable if you interpret the symptoms in a certain way. In many cases, however, not only will these responses *fail* to solve the problem, they will actually compound it. We wrote this book to help explain why, and to show how leaders can approach perceived weaker performers more effectively.

Do we mean all perceived weaker performers are potential solid performers? Of course not. There are such things as hiring mistakes, just as there are "pathological cases"—people who simply refuse to face reality and make no attempt to improve. And clearly, companies have to remove those people. But we would argue that the overwhelming majority of perceived weaker performers could improve significantly if they were better managed, better coached, or assigned to a position better suited to their capabilities. In fact, in our research we have seen several firsthand examples of bosses who achieve outstanding results with "regular" folks. The familiar notion of potential turns out to be dangerous, for who can really say how much "potential" someone has? What we do know is that when bosses get it into their heads that certain people have "limited potential," those bosses tend to behave accordingly—and will often end up causing the subordinates to deliver in a limited way.

We are not trying to lay the whole blame on bosses. This is clearly a two-way street—and we show in chapter 5 that one reason why the process proves so powerful is that the subordinate joins in, so that two people are setting each other up to fail. But because the traditional approach to subordinate underperformance is to look for explanations on the subordinate's side, we are saying to bosses: start by looking on your side.

Why Should Bosses Care?

For bosses, it's important to know about this syndrome because of its cost to them and to their units. Working as researchers and consultants, we see how hard bosses try to make things work, the tremendous effort they devote to raising the productivity of certain subordinates. They work damned hard. They also create enormous amounts of pain. When we talk to the "weaker performers," they talk about not being heard, not being understood, not being fairly treated, being put under unnecessary pressure, and not being given a chance to contribute. That pain and frustration translate into forfeited performance. Perceived weaker performers may put in the same effort as their peers, but their creative and critical faculties are blocked, unappreciated, and ultimately unplugged.

The relationship also takes a significant human toll on bosses. Managers often tell us about the pain of working with weaker performers. They tell us that even when they engage in performance-improvement processes, the proportion of positive outcomes is disappointingly low—which represents a high opportunity cost. Those subordinates divert time and attention that bosses could be spending on more value-adding activities. They also consume inordinate amounts of energy, leaving bosses feeling depleted rather than revitalized.

Moreover, the stress spreads beyond the boss and subordinate. Weaker performers share their pain and misery with the members of their teams, corroding the team spirit or sense of joint aspiration. And, of course, they themselves may be bosses to other people, and the syndrome can cause their own subordinates to suffer in turn. Indeed, a recent McKinsey & Co. survey showed that people who work for weaker performing managers agree strongly that the experience "prevented me from learning," "hurt my career development," "prevented me from making a larger contribution to the bottom line," and ultimately, "made me want to leave the company."[4]

Beyond the current impact on performance, the ability to manage weaker performers also impacts a boss's career development. For over two decades, researchers at the Center for Creative Leadership (CCL), which specializes in leadership research and education, have been investigating career-success variables. They have found that the number-one success factor in the top three jobs of large organizations is "relationships with subordinates."[5] The Center has also conducted numerous studies of executive derailment—meaning resignation, removal, or demotion. Those studies have systematically shown that problems with interpersonal relationships and the inability to build a team are the dominant reasons executives fail.[6] The latest evidence, based on interviews with over eight hundred human resource executives, shows that failure to build good relationships with peers and subordinates is a major career-stopper, accounting for 82 percent of derailment cases.[7]

This phenomenon does not apply only to "Young Turks" who suddenly find themselves out of their depth. It applies to senior people, too. The fact that a boss "got away with it so far" is no guarantee that she or he will continue to do so, for three reasons. First, assets such as assertiveness and initiative, on which many outstanding track records have been built, can become liabilities as the leader moves up to senior levels where a more collegial approach is expected. Second, compelling evidence—from a study that tracked individual managers over a twenty-year period—indicates that interpersonal skills tend to decline over time (or else as one moves up the hierarchy).[8] Third, managers face increasing performance pressure, and pressure has a tendency to accentuate existing flaws.

From our discussions with executives, we know that under benign conditions, it is relatively easy to be supportive and to develop high-quality relationships with all subordinates. But when the pressure piles on, when bosses are overstretched and fewer resources are available, it is a different matter. Stress tends to make bosses more rigid, intolerant, and impatient—at least with subordinates who don't "get it" quickly or who seem less driven. Typically, bosses react by placing additional burdens on the top performers, those who can be relied on to deliver.

The net result is that bosses are overstretched, top performers are overworked, and "lower performers" are frustrated. Performance *may* improve, but mostly at the price of human pain: increased levels of stress, turnover, burnout, depression, and the like. It is not a sustainable approach.

The Cost to Productivity

With executives at all levels under severe performance pressure, the chances of triggering set-up-to-fail syndromes multiply. Bosses involved with too many projects or task forces—such as those in flattened organizations with numerous direct reports, some of them in remote locations—may not notice that particular relationships are going sour, or may notice but simply not have the time or energy to invest in fixing them. The idea that many executives can be very good bosses to some of their subordinates, but downright bad ones to others, lies at the heart of this book.

Why should companies care that the set-up-to-fail syndrome exists? Because our research shows that this syndrome is common enough that it can seriously affect companies' productivity. For example, when discussing the incidence of the syndrome in their companies, human resources (HR) personnel have complained to us about how much time they spend on issues relating to dysfunctional boss-subordinate relationships. When bosses run out of patience and want people removed, when subordinates run out of patience and request a transfer or decide to quit, it's the HR specialists who have to clean up the mess. And when HR folks have to spend their time handling today's emergency issues, they are not attending to tomorrow's value-adding activities.

Another way to gauge the impact of dysfunctional boss-subordinate relationships on companies is to consider the reports of psychological abuse at work, which have exploded since the mid-1990s. In English-speaking countries, such abuse is often labeled "workplace bullying." It rarely involves physical intimidation or threats. More typically, it consists of unfair and excessive criticism, public insults, isolation, repeatedly changing or setting unrealistic work targets, undervaluing of work efforts, shouting, and verbal abuse.

According to Cary Cooper, a leading expert on occupational stress, workplace bullying is no longer the preserve of psychopaths and autocrats but now afflicts regular managers who are simply overworked and overstressed. "There has always been a small number of psychopathic bullies," Cooper says. "These people were bullies in the playground and went on to become bullies at work, but what is new is the growing number of overworked bullies, who suffer from stress, can't cope, and so take their anger and frustration out on the people they work with."[9] Not their dominant management style, bullying surfaces sometimes with particular subordinates—which can easily lead observers to dismiss it as unrepresentative or to put it down to "bad chemistry."

How common is this workplace bullying? A U.S. survey of workplace stress revealed that 42 percent of office workers work in environments where yelling and verbal abuse happen frequently.[10] Another U.S. survey found that 27 percent of the U.S. workforce is mistreated or bullied.[11] Similarly, a British survey of over five thousand employees found that almost half of the respondents had experienced or seen bullying, that one in ten had been bullied in the past six months, and that one in four had been bullied in the last five years.[12]

This phenomenon is not limited to English-speaking countries. In France, a book about workplace mistreatment, *Stop Psychological Violence,* was outselling the top fiction bestsellers within weeks of publication in 1998, and it sold four-hundred thousand copies within its first three years.[13] The book provoked important changes in French employment legislation, making psychological harassment punishable by a jail sentence of up to one year and a fine of $13,000, and it has been translated into twenty-four languages, including Japanese and Estonian. In Japan, a help line for employees who felt ill treated or intimidated received 1,700 calls in two months.[14] And in Sweden, workplace bullying is considered a factor in 10 to 15 percent of suicides.[15]

Some studies have also examined the substantial costs of these practices. For example, one U.S. survey showed that, in response to hostile treatment, 24 percent of employees decreased the quality and quantity of their work, 28 percent lost work time avoiding the bully, and 52 percent lost time worrying about the unresolved situation. The survey also showed that bullied employees took 50 percent more days off and developed 26 percent more chronic illnesses than their colleagues.[16] This adds up to a lot of lost productivity. It also has a toxic effect on morale. People who feel mistreated rarely keep quiet about it. They complain vociferously to colleagues, thus multiplying the time wasted, and they reinforce their views by finding others who feel similarly alienated.

The organization may also feel the cost indirectly in terms of increased resistance to change or higher turnover. As one authority in the field observed, "I've studied countless exit interviews and countless post-exit interviews. . . . Reason number one for leaving is usually some variation on the theme 'My boss was a jerk. [He or she] didn't support me, didn't communicate with me.'"[17] Of course, some readers may be thinking "good riddance," but a workplace where people are mismanaged, mistreated, and/or forced out is unlikely to elicit a lot of loyalty from *anyone*. People realize they are expendable, and the company is likely to have trouble retaining existing talent or attracting the best people in the industry.

On the basis of all these costs and consequences, improving boss-subordinate relationships would seem to offer enormous potential not only for bosses and subordinates but also for corporations as a whole.

Addressing the Problem

When we outline the set-up-to-fail syndrome to executives, they quickly begin nodding their heads. They have witnessed it around them. They have seen how damaging it is for team spirit and productivity. Some have even been victims. But then comes the tough part: recognizing that they themselves have probably been perpetrators, without even realizing it. To address the problems this syndrome engenders, executives and other professionals must understand how bosses can trigger and remain blind to a dynamic that is hurting them, their people, and their companies, and that previous efforts to "fix the subordinate" have floundered because of a lack of awareness of the blinders and misperceptions afflicting both boss and subordinate.

By providing a framework that illuminates causes and effects, we hope that this book will give a better understanding of the traps and biases that influence perceptions of other people. Our objective, and our hope, is that more effective handling of these subordinates will contribute to improving individual and corporate performance, but also to decreasing the human toll these difficult relationships exact on the parties involved, as well as on other parties around them.

In the first six chapters, we describe specifics of the set-up-to-fail syndrome and its effects. Chapters 2 through 4 take a look at why bosses' responses typically fail to produce the desired results, often triggering instead an escalating spiral of malaise and underperformance, and why bosses remain blind to the ineffectiveness of their usual responses. Chapter 5 shows how subordinates contribute to fueling this spiral of malaise and underperformance, and chapter 6 examines the costs of this dynamic that bosses and subordinates have jointly created.

Beginning with chapter 7, we look at specific ways to address the set-up-to-fail syndrome. We discuss the mental adjustments bosses must make before trying to interrupt this dynamic, and then in chapter 8 we propose a framework to help bosses productively intervene with their perceived weaker performers. Chapter 9 examines how bosses can *prevent* the syndrome, and chapter 10 discusses the personal evolution leaders must undergo in order to take preventive action more often and more easily.

This book integrates years of research we and others have conducted. It addresses a real problem that each and every boss faces, has faced, or will face: “How do I get better performance from my subordinates, particularly those in whom I have limited confidence and whose abilities I do not trust as much?” We are going to argue, and try to show, that most bosses approach this issue in a way that is fundamentally flawed. This is not an easy sell. Let’s get to it.