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“Business in society” is about macro issues like the environment, NGOs, sustainability and ethics. On a more micro, but no less important scale, it is also about individuals who work in organizations, say Jean-François Manzoni and Jean-Louis Barsoux.

Discuss this topic with the authors on IQ-interactive, www.insead.edu/iq/interactive. Details p 31.

The working wounded

People spend most of their waking hours at work and the quality of their work experience matters to society. It matters because of the direct cost of workplace stress in terms of medical expenditures (both physical and mental health problems) and lost productivity. It also matters to society because those employees do not leave their problems at work at the end of the day; the suffering often accompanies them home and, in turn, impacts the lives of families and communities.

Our research focuses on a major cause of workplace stress, namely dysfunctional boss-subordinate relationships. We have identified a dynamic called the Set-Up-To-Fail Syndrome, which ends up costing companies a lot of money and polluting the lives of many people. Our recent book analyzes this phenomenon and discusses how the dynamic can be interrupted and prevented.

Second among equals

The Set-Up-To-Fail syndrome is rooted in the way leaders deal with their subordinates, particularly those subordinates in whom they have less confidence and faith. Most leaders find it comparatively easier to work with their better performers who typically take charge of problems, come up with ideas, deliver on commitments and make good intellectual sparring partners.

The Set-Up-To-Fail Syndrome ends up costing companies a lot of money and polluting the lives of many people

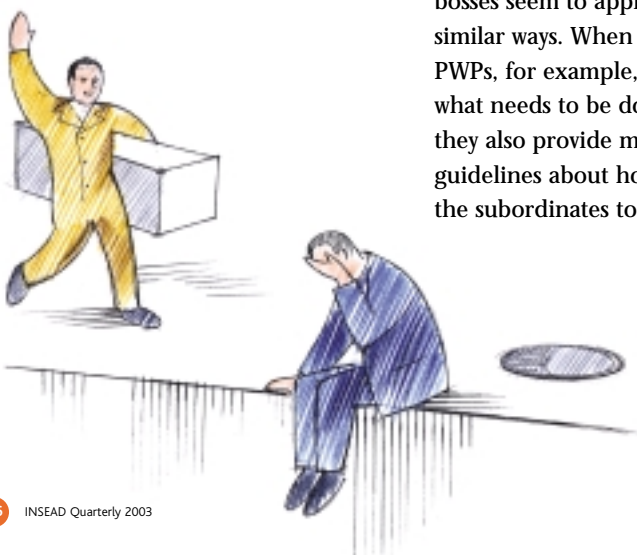
Dealing with Perceived Weaker Performers (PWP) is typically more painful and problematic for managers. Through discussions with thousands of managers, we have found that most bosses seem to approach PWP in similar ways. When assigning tasks to PWP, for example, the bosses discuss what needs to be done and why, but they also provide more detailed guidelines about how they would like the subordinates to go about the task.

They then tend to monitor PWP's actions and results more systematically, making sure to identify problems early and then get involved in their resolution. Many bosses also explain that, in cases of disagreements, they tend to push their own ideas more than they would with a perceived better performing subordinate.

This is nothing but common sense, of course. Managers have to be more “involved” with subordinates whose skills and/or motivation are limited. Besides, the bosses typically mean well and hope that this additional “support” will help the PWP to improve and develop. Unfortunately, our research shows that bosses' more controlling style often accomplishes the exact opposite of its intended effect, leading subordinates to disconnect from their bosses and jobs, thus leading to reduced performance and much human pain. Here is why and how:

First, PWP often react negatively to their bosses' heightened involvement because it makes them feel over-monitored and under-appreciated. As a result, they start losing confidence in their bosses and in themselves, they start withdrawing from interactions, they stop proposing ideas and adopt a more passive approach toward their job.

Secondly, PWP's behavior and performance is constrained by bosses' attitude toward them. Simply put, the PWP feel boxed-in. They cannot hope to match the standards of a high performer given the bosses' behavior





towards them. For example, PWP's are often blamed for not "taking charge of issues" and for "needing to be pushed". Then again, they tend to be given very precise tasks (hence limited autonomy to "take charge"), and often not the most stimulating ones (those are entrusted to their "better performing colleagues"). PWP's are also often blamed for not being good delegators and motivators of their own troops. But how could they delegate autonomy they do not have?

We found that most subordinates do not give up easily. Many PWP's manage to resist the temptation to disengage and keep striving to change their bosses' view. Unfortunately, they face a real uphill battle: research shows that once a boss starts doubting a subordinate's motivation and/or capabilities, cognitive biases lead him to notice, interpret and remember events in ways that reinforce initial judgments.

This problem would be serious enough if it only involved subordinates that are truly short on skills and/or motivation. Regrettably, it often entraps subordinates that could have been quite effective under other circumstances. Studies indeed show that boss-subordinate relationships become predictable very quickly, after as little as one week of interactions. This is simply too fast to exclude the possibility that other, non-performance related factors also influence bosses' assessments.

But if bosses the world over have such a dysfunctional approach toward PWP's, how come more of them haven't changed their ways? Because bosses have no reason to question their approach!

They expect, or rather fear, that these subordinates are long on excuses and short on motivation and skills, and that is precisely the picture they observe from the alienated and demotivated PWP's. When you get the very behavior you expected, you have no reason to re-examine your perceptions.

Of course, the PWP's could bring the problem to their bosses' attention. However, this is not appealing for subordinates who are often concerned about coming across as whiners. In addition, PWP's do some labeling of their own and then observe and interpret their boss's behavior through a lens distorted by cognitive bias. This process allows them to blame the relationship's failure on the "unreasonable" boss and to minimize their own responsibility.

The research shows that bosses' more controlling style often accomplishes the exact opposite of its intended effect

Under these conditions, both parties now observe the behavior they were expecting of one another, and hence fall prey to the blinding power of a double self-fulfilling process. The relationship degenerates and cannot self-correct.

Breaking the cycle

There are three necessary conditions for breaking out of such vicious spirals:

- First, bosses must appreciate the full costs of the dysfunctional relationship in order to understand why intervention is necessary. These costs start with the PWP, whose performance and morale decrease over time. The boss must also devote increased time and energy extracting adequate performance out of the subordinate and dealing with the malaise they jointly created. Then the rest of the team also feels the uneasiness. The colleagues have to listen to the PWP's gripes and shoulder extra responsibilities not entrusted to the "weaker performer", all as they struggle to maintain team spirit. Finally, the shock waves reach the PWP's own subordinates, who must endure an even more controlling leadership style from a boss who feels cornered and under-resourced.
- Second, the boss must acknowledge his own contribution to the problem. Until that happens, any attempt at intervening is going to fall back into the traditional, "Let me give some feedback; let me help you understand how you're screwed up." When bosses enter performance discussions in this frame of mind, they are bound to fail, as explored in a recent article by Manzoni.*

- Third, the boss and subordinate must be willing to engage in a discussion where they jointly agree on: a) the symptoms they are trying to address; b) the underlying causes, which will include the possible shortcomings of the subordinate but also the boss's prejudices and behavior; and c) the necessary corrective actions and timeframe for improvement.

For bosses who meet the above conditions and enter such a process, the return on investment comes in the form of improved performance and/or a healthier relationship. If improvements are insufficient, which can indeed happen, the employee's

exit will follow a fair process and is hence likely to lead to less uneasiness for both the departing and the remaining employees.

The ideal solution is, of course, to prevent such vicious circles from developing. We have encountered some leaders, dubbed "syndrome busters", who develop positive spirals with all their subordinates, including the weaker performers. The book identifies how these bosses sidestep this remarkably pervasive dynamic, what exactly they do differently, and how they developed the skills to do so. **IQ**

* J-F Manzoni (2002) "A better way to deliver bad news," *Harvard Business Review*, September: 114-119.



IQ – interactive

www.insead.edu/iq/interactive

Link

www.set-up-to-fail.net

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Good reads

A price too high – reviewed by Frank Brown, Global Leader, Assurance and Business Advisory Services, PricewaterhouseCoopers

Optimising performance among those considered "average at best" is certainly not easy. It requires transcending human nature, one of the most powerful forces that cause people to reach quick conclusions about others and "label" them.

When bosses label, it creates an "in" and an "out" group among the employees and makes them naturally more directive and controlling, to the point of eroding trust and self-esteem of employees. To further complicate matters, employees respond negatively to "the boss' best efforts" by withholding news, ignoring requests and even misinterpreting sincere efforts as part of the boss' plan to justify their dismissal. With dynamics like these, it's no wonder that so many workers characterize their boss relationships as dysfunctional at best.

Once the boss and subordinate establish trust and realize they want the same thing, then they can exchange ideas and focus on issues for mutual gain. If there is personal discipline and a relentless adherence to fairness, even terminations can be viewed as a positive step in an employee's development.

This book should be required reading for bosses, subordinates, parents and even children. It contains very real answers for those seeking to improve relationships at all levels. Unlike many "business books", it is not an exhaustive compilation of esoteric research; rather it has a very practical approach to defining the problem and suggesting what can be done to overcome it. It is supported by case studies that most everyone can relate to, and in fact, most readers will undoubtedly see themselves in many of its pages.

One of the most powerful points is when the authors' acknowledge the difficulty of busting the Set-Up-To-Fail Syndrome. They write that not unlike the untold hours it takes to improve one's golf or tennis game, managing relationships requires time and faith that the return on investment will be substantial. They challenge, "What price are you willing to pay to succeed?" Perhaps the better admonition would be, "With the majority of my human capital portfolio at risk, the price is simply too high to accept failure." **IQ**

The Set-Up-To-Fail Syndrome:

How Good Managers Cause Great People to Fail

Harvard Business School Press 2002.

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