How Good Managers Cause Great People to Fail

THE SET-UP-TO-FAIL SYNDROME

THE SUMMARY IN BRIEF

When an employee does not perform up to expectations, managers typically believe the fault lies with the employee. Often this is true, but frequently the manager is complicit as well. Bosses create and reinforce a dynamic that sets up weaker performers to fail.

The “set-up-to-fail” syndrome begins innocuously, with a small act, such as missing a deadline. Once employees are cast (and often miscast) as “weak performers,” they can do nothing right in the eyes of the boss. While the boss will see any miscues and setbacks as “confirmation” of his opinion of that employee, any of the employee’s successes or proofs of high performance will be ignored. In response, the employee begins to live down to the boss’s expectations, which, of course, only reconfirms those low expectations.

The goals of this summary are to unravel the biases, blinders and misperceptions on both sides of the boss-subordinate relationship and provide a way to interrupt the downward spiral of the set-up-to-fail syndrome.

What You’ll Learn In This Summary

✓ How you, the boss, may be responsible for the self-fulfilling and self-reinforcing cycle that causes poor boss-subordinate relationships.
✓ Why you may have labeled a perfectly good employee as a weaker performer.
✓ How you are subtly letting subordinates know that you do not trust their work.
✓ How subordinates allow their bosses to view them as weak performers.
✓ The cost of the set-up-to-fail syndrome on the boss, other employees, and the organization.
✓ Why bosses are afraid to confront the problem or fix their relationships with weaker performers.
✓ How to intervene and change both your behavior and that of your subordinates.
THE SET-UP-TO-FAIL SYNDROME
by Jean-François Manzoni and Jean-Louis Barsoux

— THE COMPLETE SUMMARY

The Set-Up-to-Fail Syndrome
A boss’s job of meeting numbers and targets has grown more frenzied and complex. Bosses are responsible for working with project teams that span geographic boundaries, and they are also held to tougher performance targets in shorter time frames. They must also motivate and manage an increasingly mobile workforce. With evaluation systems tied to results as well as employee satisfaction, managers are torn between empowering employees and making sure they deliver on commitments.

The authors of The Set-Up-to-Fail Syndrome expected the managers they studied would either be good or bad at this balancing act. Instead, they found that bosses achieve the balance with some subordinates, but fail with others. Employees rated as “higher performers” felt that though targets were tough, they received encouragement and support. Employees rated as “weaker performers” did not feel the same levels of consideration, recognition or autonomy from the bosses.

What Happened?
Perceived weaker performers are not the best, but still perform above the firm’s minimum threshold. Perhaps, however, they make a mistake early in their career at the company. As a result, a well-meaning boss gives more attention to the subordinate, who interprets the heightened supervision as a lack of confidence. The subordinate doubts his own thinking and ability, but the boss misinterprets the ensuing withdrawal as confirmation of weaker performance and intensifies involvement in the subordinate’s affairs. The boss steers important and risky assignments away from the subordinate, and the frustrated subordinate retaliates by ignoring instructions and continuing to perform below expectations. Once people are miscast as weaker performers they join in the syndrome themselves and live down to that image.

The boss’s reaction to the subordinate’s behavior seems like common sense, especially if the underperformer truly cannot do his work. But often the subordinate just had a bad start, and the set-up-to-fail syndrome is compounded by the superior’s behavior.

The Entire Organization Suffers
The syndrome ends up affecting the entire organization. Weaker performers share their misery with peers and their own subordinates. The boss’s career development is at stake, because she appears unable to develop relationships with subordinates. The syndrome also affects productivity as HR personnel deal with people who quit or need to be transferred, and employees who feel bullied spend valuable time worrying about unresolved issues and taking more days off.

Don’t Treat People As Second-Class Citizens
Past management research focuses on an average management style of a leader. Even 360-degree feedback focuses on the average behavior perceived by peers, superiors and subordinates, not the variance between responses. This variance in perception is very important. If every one of your subordinates was asked to describe your leadership style, how different would the answers be?

Dr. Jekyll and Mr. Hyde
The idea for this book began when the researchers found a Dr. Jekyll and Mr. Hyde in one of their subjects, “Jack.” Jack supervised four business managers (BMs). BM1 and BM2 described Jack as people-oriented, treating them as equals, demanding but supportive, available but empowering. BM3 and BM4 described him as formal, mean, meddling, and never giving them a break. Similarly, Jack rated BM1 and BM2 highly while BM3 and BM4 received lower-than-average ratings.

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... skins. But when pushed about the clear split among the four people, Jack admitted that he behaved differently with them. He felt the need to show recognition and appreciation to the better performers, the “in-group,” while the weaker performers, the “out-group,” needed more counseling and teaching. Even though Jack believed in the benefits of delegation, coaching and recognition, he was deliberately acting differently with some of his subordinates.

So What?

The pattern described above emerged over and over with thousands of managers. There were two responses to this information. The first was, “Isn’t it common sense to treat different employees differently?” Yes, but common sense is not infallible. Common sense suggests the world is flat. The second response was, “So what?” Perceived weaker performers have more negative attitudes toward their job and the company, so they need more oversight and support. But managers didn’t realize their behavior could also lead to employees refusing to share knowledge, help peers, or volunteer for extra projects.

Reading the Boss’s Mind

Subordinates are highly sensitive to comparative signals sent out by bosses. They watch body language, listen to what the boss says or doesn’t say, and note the choices offered. You may think that even if you do treat employees differently it is barely noticeable, but subordinates are very perceptive. Below are six indicators of a boss’s true beliefs:

1. Unsolicited Advice. Bosses tend to give far too much advice to “lower performers,” offering help without considering what the subordinate has already tried.

2. Disguised Directions. Bosses offer quick and forceful suggestions to weaker performers, imposing solutions with subtlety (“This is only a suggestion …”).

3. Disregarded Ideas. Bosses often give no weight to or ignore ideas from weak performers while giving high performers supportive feedback and the chance to “try it their own way.”

4. Response to Failure. Bosses are quicker to seize on the failures of perceived weaker performers, sometimes unfairly.

5. Response to Success. Weaker performers rarely receive positive reinforcing feedback. Bosses are often incredulous when there is nothing to complain about.

6. Harsher Style. A manager’s style toward lower performers tends to be one of “presumption of guilt.”

These clues do not just affect weak subordinates. People are extremely susceptible to impacts on self-confidence and motivation, both strong impacts on performance. In the face of these undercutting behaviors from a boss, the desire to fight back has limits and is often short-lived.

A Vicious Cycle

Most managers feel their weaker performers are the hardest to deal with, and the slowest to improve. But they never consider that the difficulty may arise because of their own behavior, not in spite of it. Since few managers consider themselves the source of the problem, they do not respond properly. Because they don’t see their own role, they create a vicious cycle based on the following problems:

Powerful Undertow of Expectations. Research shows that when interviewers send negative nonverbal signals, interviewees actually perform more poorly. Bosses don’t understand the impact of even the subtlest of low expectations and don’t understand why subordinates don’t fight against it. It is extraordinarily easy to turn high achievers into underperformers with constant rejection. They can begin to doubt themselves, and lose enthusiasm within days.

Encouraging Underperformance. Not allowed to make autonomous decisions, having undermined self-confidence, and working under tight targets and deadlines, a subordinate does not have the freedom to think strategically, generate ideas, or develop and delegate to sue.

Effects of Being in the Out-Group

When bosses treat perceived weaker performers differently, the subordinates can:

✓ Withdraw and reduce contact with the boss to avoid negative feedback.
✓ Cover up problems.
✓ Volunteer less unsolicited information to avoid attracting the boss’s attention.
✓ Disconnect from the job, losing drive, enthusiasm and initiative.
✓ Stop fighting for her own ideas to avoid being rebuffed and second-guessed.
✓ Channel energies into outside activities.
✓ Lose motivation to make autonomous decisions or take action.
✓ Lose self-confidence from the boss’s lack of trust and confidence.
A Vicious Cycle
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his or her own subordinates properly. *Bad attitudes, low enthusiasm and resistance to change are to be expected from those who receive fewer choices, informal rewards, or challenging assignments.*

**Self-Fulfilling Expectations.** Combining the bosses’ behaviors with their demotivational impact, performance improvement almost becomes impossible. Disregard and disrespect tear down self-confidence. With fewer opportunities and resources than higher performing colleagues, it is difficult to disprove the boss’s opinion. From the boss’s point of view *subordinates are exhibiting the very behaviors anticipated.* Bosses see no efforts to improve, only tangible evidence of trouble.

Bosses create a self-fulfilling process by their behavior. They actually create weaker performers in a way that blinds them to their own responsibility and spurs them to continue. The process becomes self-reinforcing, and turns into a vicious cycle that is difficult for either party to escape.

*Caught in a Web*

The subordinate’s efforts to escape are precisely what draw him or her deeper into the cycle. A weaker performer’s immediate reaction to micromanagement or unwanted help is to disconnect from the boss. This fuels the boss’s anxiety and his or her desire to exercise greater control. The boss overreacts to any new performance anomalies because he or she feels cut off, and forceful intervention only further discourages the subordinate. Meanwhile the subordinate wastes time searching for more excuses in the face of the boss’s intense scrutiny, instead of focusing on the future.

Not all subordinates give up immediately, but even those who try to pull themselves out of the out-group find that it is very difficult:

- It’s hard to stay motivated with unchallenging assignments and lack of encouragement.
- It’s easy to overstride in an effort to impress the boss, and they bite off more than they can chew.
- It’s hard to live with conflict. Fighting bosses and their perceptions takes considerable determination and self-confidence and can be interpreted as aggressive or provocative.

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**Labels, Biases and Misperceptions**

Most managers assume the subordinate did something wrong to harm the boss-subordinate relationship. But frequently the boss unilaterally decided, often mistakenly, that the subordinate had a problem. Unfortunately, once we label someone, we have a lot of trouble accommodating contradictory information.

Managers, like all people, tend to label and sort their subordinates into the in-group and out-group, to make their lives easier. Working in an uncertain and information-rich environment, bosses need to make decisions quickly; labeling helps by reducing ambiguity and saving thinking capacity for more complex issues. Unfortunately labels are unreliable indicators of performance and potential. While managers admit it requires months to make an appropriate appraisal of a subordinate, in practice it can take as little as a week. Though new information will emerge, the anchoring phenomenon — the tendency to give disproportionate weight to a first impression — triggers the labeling process.

**Early Labels**

Bossses develop early labels based on qualitative issues, such as personal chemistry, empathy or fit. Actual job performance in the beginning of a relationship is less relevant, which means that the boss can still see an in-group member, whose job performance is poor, as a good performer. Labels stick over time because managers are overconfident about their judgment. Experts in their field develop overconfidence because their judgment helped them move up the ladder, and they have little time or latitude to revisit labels after they are assigned. The performance differences they see in their subordinates currently are likely driven by their early labels.

**Shaking the Label**

Managers believe that they will change their minds and that subordinates can overcome their labels if they meet their performance targets. However, even in the face of contradictory evidence, people who hold an opinion usually become more convinced of it. To shake off their label, weaker performers have to change what bosses notice, how they interpret their observations, and the ways they remember these interpretations.

Incorrect labels remain intact because bosses suffer from selective observation, which turns their labels into sieves, straining out contradictory information. They also tend not to give credit where it is due. Even if bosses notice achievement, they may not assign credit to the
Labels, Biases and Misperceptions
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person, but to the situation. Bosses also have selectively biased recollection that allows them to remember only what they think is relevant. Often good news from weaker performers is dismissed as unrepresented.

In sum, the same behavior can be attributed differently depending on who displays it (see box below).

Subordinates Collude to Collide

Just as bosses develop snap opinions of their employees, so do subordinates. They make decisions based on rumors or misinterpretations of unexplained decisions — and may perceive that a boss has deliberately mistreated them, when actually the boss had no choice.

Because of time and attention constraints, managers often make quick decisions that are not necessarily optimal. Subordinates assume the decision was made rationally — that bosses weighed all the outcomes, considered all of the options, and made this specific choice, which they knew would cause distress, offense or embarrassment. Subordinates overestimate the power of their bosses, not realizing that they are also subordinates working within their own constraints. Subordinates are very sensitive to their relative treatment and tend to read errors of omission as errors of commission.

After attaching labels to their bosses, subordinates look for confirming information, just as bosses do. They remember what conforms to their labels and conveniently forget the aberrations.

Once in this mindset, a subordinate will begin to exhibit behaviors that the boss fears:

- **Discounting Feedback.** Honest attempts at coaching by the boss are perceived as unsolicited and indiscriminate. Subordinates are unlikely to act on the advice because they view it as unhelpful or unworkable.

- **Bringing Up the Past.** Subordinates who nurse perceived past wrongs will likely try to restore equity in some way.

- **Standing Up to the Boss.** Subordinates may challenge the boss’s positions or turn down assignments. For people in the out-group who feel powerless, the only freedom they have is to say “no” to the boss.

- **Proving the Boss.** Subordinates may use the same behavior as standing up to the boss, but the intent is to make the boss act negatively to validate their own view of him as an unreasonable person.

- **Looking for Senior Allies.** Subordinates may try to circumvent their boss by appealing to senior executives. Though this kind of covert lobbying is now being facilitated in many organizations, bosses can still feel threatened, and can hit back.

**Psychological Baggage**

Overall, it is difficult to know who starts the set-up-to-fail syndrome. Is it the boss who makes a false first impression or the subordinate who overinterprets the boss’s actions? The problem is that no one sees the full causal chain. They both blame the other and feel justified in restoring the balance by retaliating. Their alternate realities lead them to keep score differently and assign varying values to different harms. Bosses and subordinates must understand the psychological baggage in each other’s mind before they can break the cycle.

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**For Additional Information on how subordinates set themselves up to fail, go to: http://my.summary.com**
The Cost of the Syndrome

In addition to the subordinate who feels she is working without support, the boss suffers because of the amount of time and opportunity that is invested in trying to improve the weak performer’s performance. Increased involvement produces diminishing returns, and the boss may even have to devote more effort to simply maintaining a performance level. The uneasy relationship is also an emotional drain on the boss and her reputation is at risk if she is judged on her ability to develop talent.

When the boss can no longer handle the problem, the cost shifts to the HR department. HR helps managers deal with perceived weaker performers, and also deals with the consequences of failed relationships, such as grievance procedures, transfers, terminations and exit interviews — none of which is the value-added work of motivating, attracting and retaining talent.

The team also suffers. A boss’s natural reaction to a lack of faith in lower performers is to overload higher performers. These people have more to do and spend less time on actual jobs. They may end up leaving the company or burning out.

Having a boss in the out-group also affects his subordinates. The task-related constraints, short resources and limited autonomy of the boss will trickle down to his subordinates. Subordinates will also feel the pressure that their boss is under. Many disenchanted managers inflict downward the very behavior they complain about from above.

All of this suffering filters through the organization. The disenfranchised talk to people in other divisions and engage in commiseration sessions. Customers may start to notice poor service, and suppliers and industry peers will begin to hear from employees. ■

Why Not Change?

If the cost on an organization is so great, why don’t managers change their behavior?

First, they do not realize the full extent of the costs. They don’t see the hours wasted complaining about management and avoiding work.

Neither do they feel personally responsibility for the symptoms they see, either because they have never been in the out-group or they do not want to acknowledge responsibility. Even when they do acknowledge a problem, many managers suggest firing the underperforming employees. But that only deals with the symptom. The out-group is not necessarily full of the worst performers; in fact, they frequently exceed the firm’s minimum performance threshold. Termination involves the costs of rehiring and training, as well as the costs associated with decreased morale.

Why Bosses Avoid Feedback

Despite the difficulty and stress involved in staging an intervention and the reasonable belief that trying to fix the relationship is a waste of time, the boss should still make the time to overcome the subordinate’s belief that the boss’s criticisms are invalid.

Many bosses won’t make the effort, however. Although managers expect their better performers to react well to even critical feedback, they suspect that weaker performers will not take it well, will not likely change, and that monitoring them will only waste more time. As a result, many bosses would rather bear a tolerable situation than risk giving feedback that will be ignored.

The problem is that managers may simply be framing the situation incorrectly. Just as people label things to make them easier to understand, we tend to frame a decision to focus on the key elements and relationships. For instance, in the 1980s, American car manufacturers were trying to calculate the optimum size of production runs, taking the cost of changing over production lines as a given. The Japanese car companies framed the same problem by considering the most efficient way to produce the requisite models by reducing changeover times.

Bosses frame their interactions with subordinates based on their mental picture of the issue and relevant elements. Research shows that bosses frame stressful situations in narrow, binary ways that stay frozen during the discussion, even if the discussion does not go their way. The boss insists on getting the subordinate to agree with his “right” point of view. The subordinate realizes the only two options are to comply or resist. No one is open to other valuable ways of looking at the issue.

Unilateral Change

Other managers decide to dive into changing things unilaterally — devoting themselves to more coaching and giving the weaker performer new and challenging projects. This does not work because it is difficult for either the boss or the subordinate to forget past grievances, and it only focuses on the boss’s behavior. Trying to break the cycle without the subordinate’s active contribution is self-defeating. Though this Pygmalion process can work, it can also overwhelm the subordinate with too much too soon. It does not address the underlying reasons for the original problems and does not prepare anyone to deal with another problem in the future.

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Unilateral action by the boss at best will move one member of the out-group into the in-group, and at worst will cause the subordinate to fail and the boss’s labels to be further reinforced.

Bosses and subordinates must deal with the problem bilaterally by starting a dialogue to untangle their complicity in the unhealthy relationship, but starting the dialogue is hard. Subordinates fear looking feeble or whiny, especially by suggesting that their problem is really the boss’s problem. Bosses feel very uncomfortable giving feedback especially to underperformers. So both parties know something is wrong, but refuse to address it.

Cracking the Syndrome

Once you recognize a problematic boss-subordinate relationship, you as a boss must take concrete steps to intervene and break the cycle. The first step is to mentally reframe the forthcoming discussion explicitly — including your contribution to the dysfunctions — instead of focusing on fixing the subordinate.

Bosses should also prepare by developing data to back up views and the openness of mind to take in the subordinate’s input. By challenging their own views and “evidence,” they will be more open to a challenge from others. Ask searching questions about the subordinate, his performance, and what blind spots and prejudices you might have.

Steps for Intervention

1. Set the Stage. Acknowledge the tension and admit some responsibility for problems in the employee’s performance as well as a desire to improve the situation together. Make sure the subordinate feels free to discuss your behavior and choose an appropriately neutral place for the discussion.

2. Agree on the Symptoms. Resting on facts and data, not feelings, come to an agreement on the symptoms you are going to address. Identify the specific areas where you concur that the subordinate has struggled.

3. Diagnose the Causes. Jointly explore the causes of weak performance, including how your behavior as a boss has affected that performance. Make both sets of assumptions explicit. Express why you act the way you do so that the subordinate understands your constraints, and allow the subordinate to vent about past injustices.

4. Find the Cure. Agree on a joint contract of performance objectives that will allow the relationship to go forward. This should include action by both parties and not just focus on “fixing the employee.”

5. Prevent the Relapse. Agree to more open communication in the future. The subordinate must start delivering and you should drop the selective observation and recall any biased attributions.

6. Monitor the Effectiveness. You must follow through on the contract as a process. Make sure performance targets are reached, that communication occurs, and that you reach closure at the end of the period.

The effort that goes into the intervention and the commitment of the two parties will determine how successful it will be and what kind of payback the boss will receive. The two dimensions that can improve are the subordinate’s performance and the quality of the working relationship. Optimally, both will improve, but even if only one improves markedly, the costs of the syndrome are decreased. Should the intervention have a poor outcome, the boss still benefits from the preparation and coaching of his employees.

If You’re the Subordinate

If you want to take the initiative for the intervention as a subordinate, it will be easier if a third party helps. Get your job in order, put yourself in your boss’s position, make it easy for the boss to discuss, and don’t rush the situation. Give the boss time to come up with his own side. The steps are similar to the steps above, but in this case the boss is probably unaware that he is part of the problem. To broach the topic considerately:

- Concentrate on what you can do for the boss, such as improving your behavior.
- Don’t get stuck if your emotions get the best of you. Continue the discussion later.
- Allay fears by understanding the boss’s key concerns ahead of time.
- Bring up the boss’s contribution to the process by describing how his behavior makes it hard for you to follow his own advice.
- Hammer out and jointly agree on a workable plan.
- Deliver on your plan.
Lessons from the ‘Syndrome Busters’

In trying to escape the set-up-to-fail syndrome, do not think it is necessary to treat all employees the same. Providing perceived weaker performers with more guidance up front is appropriate in a context that makes it easier for them to seek guidance and accept feedback. Consistent syndrome-busters have several ways to keep the boss-subordinate relationship on the right foot.

1. Frame the Relationship. Communicate frequently in the beginning of the relationship about priorities, performance measures and time allocation. Be explicit about your own work style, and what you like and don’t like.

2. Develop Relationships. Spend one-on-one time with subordinates in the first few months listening to their needs and establishing a distinction between the person and the performance of the person, so that criticism of one does not seem like criticism of the other.

3. Resist Crude Labels. Do not categorize employees in simplistic ways and do not label prematurely, before a subordinate has time to improve.


5. Intervene Early. Do not wait to give feedback, because it compounds mistakes and makes it more of an adversarial situation instead of an opportunity to explore assumptions.

6. Share Responsibility With Subordinates. Invite subordinates to act as joint custodians of the boss-subordinate relationship. Subordinates are also part of the set-up-to-fail syndrome, but may feel uncomfortable taking the first step to intervene.

Getting There

As you attempt to stop the set-up-to-fail syndrome in your relationships, you will find certain challenges in turning the ideas presented in this summary into action. Here are some ideas to make the changes easier:

Nurture or Nature. Although some people have personalities that make them naturally good at supporting and empowering all of their subordinates, the majority of bosses have to work at overcoming aggression, impatience and micromanagement tendencies.

Make Change a Priority. So many things clamor for your time that it is easy to put off personal development, but no change happens if it is not a significant priority. Because of the boss’s responsibility in the set-up-to-fail syndrome and the self-fulfilling nature of the dynamic, it is very easy to put off change.

Transition Phase. Remember that modifying your behavior on a situation-by-situation basis is one thing, but modifying your approach so that it becomes “second nature” takes time.

Enlisting Help. Resolve and willpower are important to make the change, but there are limits to going it alone. Establish relationships and structures to encourage ongoing feedback from colleagues and subordinates. Also, find an unbiased ear or mentor to listen to you and sustain your resolve.

Crafting Your Behavior. As you try to change, you will find yourself reverting to your dominant behavior when the pressure mounts. Find ways to override your automatic response by slowing down the conversation, listening, considering responses carefully, asking questions to get relevant information, postponing responses if necessary, preparing for conversations and interactions that may be difficult, and reflecting on conversations and interactions so you don’t make mistakes more than once.

Preparing for Setbacks. Successful change includes improvements, plateaus, regressions and recoveries. It takes smokers an average of three to four attempts to break the habit in a sustainable way. Do not be demoralized by reversals: They will not destroy your subordinates’ faith in your commitment if they believe you are truly working to change.

Investing in Yourself. Just as you may be willing to spend years developing the right golf swing, you may have to spend years developing your leadership skills. Maximizing subordinates’ contribution is a critical skill, and it is worth all the investment you can make.

Personal Transformation

Andy Pearson, former head of PepsiCo and chairman and CEO of Tricon, realized he could change his behavior in his seventies. “There are a lot of ways to ask tough questions without killing somebody,” he said. “I think I’ve gone from making my way by trying to be the smartest guy in the room to just asking questions and insisting that the answers be reasonable and logical.” A colleague recalled that just three years before Pearson “was brutal. He’d just beat the crap out of us. I remember one time he told us, ‘A room full of monkeys could do better than this!’”