INSIDE THE GOLEM EFFECT: HOW BOSSES CAN KILL THEIR SUBORDINATES' MOTIVATION

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The Pygmalion effect is a well documented phenomenon which describes how high expectations on the part of an authority figure lead to high performance on the part of a subject. The Golem effect designates the opposite effect whereby low expectations encourage low performance. The Golem effect has been observed in various settings, so we know it exists, but its actual workings are less well documented: in particular, how low expectations are triggered and conveyed. Based on interviews and observation, this paper describes various ways in which bosses unwittingly communicate their lack of confidence in subordinates. It also models the self-fulfilling and self-reinforcing dynamic which ensues for subordinates perceived as "lower performers".

Managers are under increasing pressure to produce results. They therefore have to get the best out of those who report to them. But in their attempts to do so, they can unwittingly alienate those they regard as less good performers. Managers cannot afford to do this; not just because it diminishes unit performance, but also because it harms their organizational reputation as coaches. Moreover, it can cause considerable distress, both to those on the receiving end and to the frustrated manager.

Our aim in this article is to map out the process through which managers sometimes contribute to the poor performance of their own subordinates. Our observations draw on intensive research in Fortune 100 companies that examined the causal relationship between leadership style and subordinate performance. These findings are supported by systematic surveys of 850 executives attending development programs at Insead over three years.

The Power of Expectations

The power of expectations in raising individual performance is a well established effect. First observed and documented with children in classroom settings, it has since been confirmed with adults in military and organizational contexts. Researchers have consistently found that artificially boosting the expectations of an authority figure (teacher, instructor or boss) regarding the potential of his/her charges, improves the performance of those subjects compared to the control group. This self-fulfilling prophecy has been labelled the "Pygmalion effect".
Subsequent investigations tested the impact of raising an individual's expectations directly rather than indirectly through the behavior of an authority figure. Random subjects who were told that they had high potential for success on a training course significantly outperformed their "control" peers. This became known as the "Galatea effect" after the mythical Pygmalion's sculpture, since it could be regarded as the result of the statue working directly on itself. Thus a subject's performance can be improved by influencing self-expectations and by influencing the expectations of the authority figure.

Of course, the reverse effects also operate, yet they have attracted considerably less research attention. Partly this has to do with ethical considerations which have inhibited researchers from deliberately inducing low expectations. Instead researchers have focused on trying to forestall naturally occurring low expectations. One study in the Israeli army prevented the natural formation of low expectations toward recruits who had performed poorly in pre-entry fitness tests, by telling some squad leaders that the tests were not indicative of ineptitude. "Control" squad leaders were not told how to interpret the test scores of individuals in their units. At the end of the course, "low-scorers" in the experimental squads had improved more than those in the control squads, rated their squad leaders more favorably, and were more satisfied. The negative effect of low expectations on achievement has become known as the "Golem effect" (Golem being Hebrew slang for dumbbell).

The finding that people adjust up or down to expectations is important because, through their behavior, bosses communicate expectations, as well as influencing the self-expectations of subordinates. Yet there is a missing link in the research to date. While the influence of expectations on subordinate responses has been firmly established, we do not know what managers are actually doing to communicate their expectations - and in particular how they unconsciously communicate low expectations. The aim of our investigations was to prise open this "black box" in order to help managers self-monitor their behavior.

**How Managers Perceive Subordinates**

The initial two-year study of 50 boss-subordinate pairings generated numerous insights into the mutual influence between boss-style and subordinate-performance. Testing the generalizability of these findings with hundreds of participants on executive programmes has yielded further insights. When asked whether they differentiate between perceived higher and lower performers, managers answer affirmatively, and have little trouble in expressing the basis for this differentiation. Specifically, managers explain that, compared to "stronger performers", "weaker performers" tend to be:

- less motivated, less energetic; unlikely to go "beyond the call of duty";
- more passive; not "taking charge" of problems or projects;
- less proactive; not anticipating problems very well;
less innovative; tending to "do what they are told" rather than bringing up new ideas;
- more parochial; often lacking in vision and overall perspective;
- more prone to centralize information and authority toward their own subordinates;
- more likely to bring you problems; less likely to come up with solutions.

To our surprise, these 'distinguishing features' have proved remarkably consistent across varied groups of executives, regardless of hierarchical level, corporate affiliation or national culture. Once these differences have been established we ask managers whether they behave differently towards the two theoretical sub-groups. Managers tell us they do, and describe how their behavior alternates between "higher" and "lower" performers. The list below is a representative sample of the responses we receive from executives in class:

| Toward "Weaker Performers" | Toward "Stronger Performers"
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Generally more directive when discussing tasks and goals; e.g., focus on what needs to be done, why, and how it should get done;</td>
<td>Discuss what and why, limited focus on how;</td>
</tr>
<tr>
<td>Set more targets, more deadlines;</td>
<td>Give them more freedom to choose own course of action;</td>
</tr>
<tr>
<td>Follow up/monitor on a more continuous basis;</td>
<td>Less systematic attention to unfavorable variances;</td>
</tr>
<tr>
<td>Get more systematically involved in unfavorable variances;</td>
<td>Make oneself available; &quot;let me know if I can help&quot;;</td>
</tr>
<tr>
<td>More likely to impose their views in the case of disagreements.</td>
<td>More likely to listen to suggestions. Real discussion takes place;</td>
</tr>
<tr>
<td>Given the more routine assignments;</td>
<td>Give the more interesting and/or challenging assignments;</td>
</tr>
<tr>
<td>Discussions dominated by operational issues.</td>
<td>Spend more time discussing /asking their view on strategy, &quot;on the big picture&quot;.</td>
</tr>
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Our findings that managers behave differently towards different subordinates are supported by a stream of research known as leader-member exchange theory. Numerous studies have shown that most managers (some studies suggest over 90 per cent) treat some subordinates as members of their "in-group" and consign others to their "out-group". The "in-group" consists of the "informal assistants" who tend to receive greater support, consideration, autonomy and influence in decision-making. The boss-subordinate relationship is one of mutual trust and reciprocal influence. The relationship
with members of the "out-group", on the other hand, is more contractual, and based more on rules, policies and formal authority. The indications are that managers tend to form these opinions very early in the relationship (quite possibly within the first five days).

In the light of existing leader-member exchange research, then, our findings may not seem very surprising. They become surprising, however, when managers articulate their tacit theories concerning weaker performers and the best ways to handle them. In class, the 'moment of truth' occurs as we establish the second list showing differences in boss behavior towards "higher" and "lower" performers. When juxtaposed with the earlier list comparing the characteristics of higher and lower performers, managers start to experience a certain uneasiness. They need little help from the instructor to spot the parallels between their behavior and that of their subordinates, or to grasp the joint dysfunctional consequences of the dynamic:

The first dysfunction is mechanical. Those dubbed lower performers cannot hope to match the standards of a high performer given the boss's behavior towards them. For example, executives highlight the fact that lower performers tend to have a poorer understanding of the big picture and of how things fit. Then, when describing how they behave towards subordinates, they confirm that they spend more time with the better performers discussing the longer term, strategic issues. Or bosses complain that "lower performers" are unlikely to "go beyond the call of duty" while also conceding that they tend to receive less informal rewards and privileges, in terms of choices, interesting assignments or confidential information. Similarly, managers highlight the fact that weaker performers tend to withhold more information and be less good at delegating authority to their own staff. Then again, their own behavior towards these subordinates is characterised by a lot more specific directions and a lot more monitoring - making it difficult for members of the "out group" to delegate authority and autonomy that they don't have! As for "weaker performers" not asking for help from their boss, this becomes less surprising when the bosses tend to provide "help" in a way that disempowers the subordinates. In short, lower performers are doomed to fail.

The second dysfunction is motivational. While bosses' behavior towards "lower performers" seems common sense, it actually saps subordinate energy by communicating underappreciation and low expectations. Once "weaker performers" start to pick up the signals of their lower status in relation to peers, they are liable to start "living down to expectations" (in accordance with the Golem effect): progressively becoming the uncommitted, non-proactive, defensive performer their boss pictured. Subordinate withdrawal is understandable from the perspective of self-determination theory which strongly suggests that people perform better when they feel autonomous, competent and valued as individuals. Bosses typically deprive "lower performers" of these three innate needs. For example, "lower performers" are given fewer opportunities to exercise their judgment and initiative, to make choices and solve problems relevant to them; feedback from the boss tends to be experienced as punitive rather than constructive; and they sense that they are valued exclusively for what they do, not who they are. Predictably, their efforts become contractual (contingent on definite and immediate rewards) and a strong
focus on gaining the approval or avoiding the censure of the boss crowds out intrinsic motivation.

How Subordinates Read their Bosses' Minds

When we present these findings to managers, they sometimes get defensive. They proclaim their awareness of the power of expectations and their firm belief that a "little encouragement and support" can sometimes increase subordinate performance. They tell us they are cautious about openly expressing or showing their lack of confidence in subordinates for fear of damaging the subordinate's motivation and performance. They tell us how they try to "present things in a positive light" and to cover up their low expectations. We believe what these managers tell us, but unfortunately their efforts are in vain.

From interviews and observational research with groups of subordinates reporting to the same boss, subordinates are highly sensitive to the comparative signals sent out by their boss. Of course, there are the "dead give-aways", like who gets the interesting assignments and who sits in for the boss at meetings. Beyond that, however, subordinates observe their boss interact, they listen to what the boss says (and doesn't say), and they have little trouble in seeing through their boss' behavior. The perceived lower performers, in particular, quickly realize they are not part of the boss's "in-group" through comparative differences in boss direction and monitoring, and more generally from the boss's style of interaction with them. From their interviews, we have drawn up a list of ten tell-tale signs which betray the boss's real view of individual subordinates.

1. Too little room

Perceived lower performers saw themselves operating "on a tighter leash" than their better regarded colleagues. For example, the two top performers in one group both welcomed the latitude in decision making which their boss gave them. One of them commented, "He sets the goals and then lets us determine how to reach them". This level of discretion did not appear to extend to the three lower performing subordinates. For these three managers, the boss often expressed strong preferences on how operational issues should be handled, sometimes even getting involved in routine operational decisions.

One of the managers observed: "When I go to him to tell him that I have a problem and what I've done with that problem, there is never any feedback like 'that was a good thing to do'; or 'not bad, I think I would add this other aspect'. The communication in that type of situation is always one-sided, 'here are the things you have to do', period, with no comment on what I've done. I can feel his lack of confidence." Besides signaling lack of confidence, telling subordinates what to do tends to discourage them from owning their area of responsibility.
"Lower performers" expect their boss to be more involved with them than their better performing colleagues - but they also expect their boss to give them a chance to develop and try things for themselves so that the boss's involvement can be reduced over time.

2. Excessive advice

Managers giving advice to "lower performers" have a tendency to overdo it - they are too forceful, they "offer" too much, and they do it too quickly. A sure test of confidence is when a subordinate comes forward with a problem: does the boss assume that the person has already done the obvious, or does the boss start with obvious questions or suggestions? For example, in the case of a production line that just went down, the boss may ask, "Have you called maintenance?". Such a question would clearly not be asked of higher performers and reflects the boss's view of the subordinate's competence.

Perceived lower performers also complained that when they approached their boss with a problem, they barely had a chance to expose the problem before the boss reeled off a list of more or less appropriate suggestions - without first inquiring what the subordinate had already tried or intended to implement. Conversely, when "stronger performers" came forward with problems, bosses were more likely to inquire what they had already done or intended to do, and felt less obliged to offer unsolicited advice.

3. Disguised directions

"Lower performers" reported that their boss generally tended to impose his solution in the case of disagreements and conflicts. "Imposing" need not imply heavy handed dictatorship; bosses have more subtle ways of using their influence or expertise to ensure that their approach prevails. For instance, rather than directing a subordinate to "Do it my way!", the boss may simply argue until the subordinate capitulates. Or else the boss may let the subordinate implement his or her own solution, but then give faint praise however successful the outcome. Subordinates quickly recognize that they will get more credit when they use the boss's ideas than their own.

When addressing perceived lower performers, bosses often dress up instructions as 'advice' in order to make a message more palatable. Yet the tenacity of the boss in pushing a particular 'suggestion' will make it clear to subordinates that this is an offer they can't refuse. The boss says, "This is only a suggestion...". The boss means, "I would really like you to do this...". The subordinate understands, "Just do it!".

4. Disregarded ideas

Subordinates are highly sensitive to the boss's reaction to their ideas. Members of the "in-group" tend to get supportive feedback on their ideas and often get clearance to "try it their own way" when the boss does not fully share their views. Comments by members of the out-group, on the other hand, often get ignored or squashed without much consideration for the idea or its originator. In one particular team, the "higher performers" felt their boss gave equal weight to his and their points of view and interests.
"He is very attentive to our input", one of them said. In contrast, one of the team's "lower performers" complained: "He just never refers back to my proposal. We only talk about his." The inference was clear: he does not find mine very good!

A more subtle variation, is the boss who gives an illusion of listening to the suggestions of "lower performers", but fails to act on their input. One frustrated manager commented: "He sometimes let's me have my say, but then he tries to change it to something that is closer to his own ideas. So you stop raising ideas because you know you're going to fight him for three months and, in the end, it won't resemble your idea anymore." If the boss never defers to their ideas, why should subordinates take the trouble to generate any?

5. Proactive checking

With "higher performers" bosses mostly intervene in response to "exceptions" or at the subordinate's request. "Lower performers" tend to find themselves subjected to closer ongoing scrutiny. Often, the boss will not wait for problems to manifest themselves but will actively search them out. One disillusioned manager described his boss's behavior in this way: "What he and the plant manager will do - because they once worked on those lines - they will come out to the line and ask you a specific question about something that's going on right now..." The subordinate's complaint was not that his bosses know more than he does, but that they use their knowledge in an evaluative way. He sensed an adversarial relationship, with them "trying to show him up", rather than supportive one in which they "try to help him learn".

Bosses may even use "trick" questions with "lower performers" to test their understanding. As one boss explained: "For lower performers, you may ask a question to make sure the person knows, because they're closer to it and they should know more about it than you do. If it turns out that they know less than you do, and it's directly impacting their performance measures, then that has an influence on how well you think they are doing their job." Subordinates often see through such ploys and sense the strictly evaluative nature of the monitoring.

Not surprisingly, then, members of the "out-group" are apt to experience their boss's monitoring and use of performance measures as more punitive and mostly designed to put pressure on them, whereas in-group members judge "learning and problem solving" as the boss's main objective in using performance measures.

6. Focused discussions

The differences in monitoring also come through in the style of questioning. For higher performers, this tends to be general and open ended, along the lines, "How are things going? Anything you need?". As one boss explained, "It would be a general question, inviting them to communicate with me."

For the "lower performers", on the other hand, the style is more like an interrogation. There is more emphasis on performance measures, targets and deadlines. This focus on
task related issues leads to distinctive type of questioning. As one "lower performer" observed: "I've noticed that with me, he tends to ask very specific, detailed questions, like 'How are things going with this?', or 'What's happening with a, with b, with c? What is being done about a, b, and c? Are you satisfied that enough is being done?', the details." For the subordinate, the boss's thinking was clear: Unless I test him out on specific issues, he is not going to volunteer any discrediting information or signal impending problems.

"Higher performers" also report more discussion of "the big picture". They often describe their boss as someone who asks their opinions and helps them understand the wider implications of particular actions. They infer from this that their boss trusts their judgment and is interested in their development. With perceived lower performers, the exchanges are more predictable in content and rarely open up beyond immediate task issues.

7. Seizing failures

Subordinates in our study reported heightened sensitivity to failures involving "lower performers" which prompted bosses to react swiftly and sometimes unfairly. For example, after a tour of the shop floor, one manufacturing manager circulated an email contrasting two of the areas visited. In particular, he highlighted a number of performance measures posted by one area but not the other. The head of the "lower performing" area was incensed: "It was on the screen for everyone to see. He never came and asked me why these things were missing, or why we weren't doing it, or how he could help us to do it. I was very angry when I saw the message on the screen. It was a put-down, without discussing it, without working the issue."

Or again, consider the contradictory comments of two managers with the same boss. The "higher performer" said of his boss: "Rather than dwelling on the failures in order to say: 'This is what I expect, this is the standard to be met', it comes across much more frequently as: 'Okay, we have a problem, this is what we need to do to resolve it'; or 'How can we resolve it, what is the plan?'. But it always ends up with something to the effect that we have made progress and we need to pursue that progress."

In sharp contrast, the "lower performer" commented: "When we are discussing things, I typically have a bunch of things that I want to talk about. He has some things that he wants to talk about. But at the end of the conversation, if we have not talked about, say, returns from customers, he will throw out the zinger: 'The returns from customers need to be corrected'. And that's the way the conversation ends, it's on a low note rather than a high note. So one way or the other it will always get around to something of a negative issue."

Boss overreaction to failures concerning "weaker performers" is compounded by a tendency among bosses to be less open to "excuses" presented by "out-group" members. Bosses are more inclined to give the benefit of the doubt where the poor result involves a member of the "in-group".
8. Overlooking successes

Bosses also seem to be afflicted by selective observation and recall, but this time in the opposite direction, where the successes of perceived lower performers are concerned. As one "lower performer" observed: "There are very few times, I can count them on one or two fingers, where he has come across with a positive reinforcing comment. I do take negative feedback as an incentive to improve. But it's wearing after a while. Every so often you need a little positive reinforcement, and it's never forthcoming".

Of course, it could be argued that "out-group" subordinates simply provide the manager with few chances to congratulate them. This was rarely the case in the relationships we observed. Several of the "lower performers" interviewed showed significant improvements in important areas (just as the "higher performers" invariably lagged on certain performance measures). As one "lower performer" complained of his boss: "He didn't pay an awful lot of attention to the fact that we reduced customer complaints by 50 per cent. He just doesn't give a lot of weight to the things we achieve. He focuses primarily on cost. I mean, that's the only thing he ever focuses on!"

Even when they do acknowledge the successes of "weaker performers", bosses may find it difficult to reconcile the achievement with their image of the subordinate. One "poor performer" recalled his boss's response to a spectacular result: "You got zero returns from customers this month? You really did? I don't believe that!" The bosses incredulity expressed his low expectations of the subordinate, and signalled that this result would probably be dismissed as a "one-off" and would not change his opinion of the poor performer. When managers hold strong stereotypes of their subordinates, even praise can come out all wrong!

9. Harsher style

Underpinning the boss's skewed observation of success and failure is a difference of style towards "lower performers" which can be characterized as "a presumption of guilt". As one "lower performer" observed: "When we talk about service levels, in particular, he has very strong words to say. His demeanor changes, the harshness of his words changes. He is very direct."

Another poorly regarded manager discussed the way his boss decided to review the client bids put together by his area. The subordinate explained that he was disturbed not by his boss' involvement, but rather by the way the boss approached the issue.

"What bothered me was the negative approach he used. 'I don't believe you, I don't believe your subordinate. I want to go through this in detail. Why didn't you do it this way? Why did you overlook this? Why didn't you do it that way?' It was those kinds of questions rather than: 'Gee, I don't understand your business and I need some help in understanding how you go about quoting these jobs. Can you show me some examples?"
He could even have said, 'Because to be honest with you, we seem to be losing money on some of these quotes and I would like to understand why'. I would have figured out very quickly anyway that he was testing me, and I don't mind being tested. If there is something wrong, great! We found it together, we will go on from here and we won't make that mistake again. But I did mind being found guilty before the trial started." (The boss stopped reviewing the quotes after a while; they were being performed correctly.)

To caricature boss reactions, then, when a good performer has a problem the response is along the lines: first, it's not her/his fault; and second, s/he can handle it. For the poor performer the immediate assumption is he/she fouled up again; and, I'd better start getting involved.

10. Dutiful coaching

Bosses do not abdicate their coaching responsibilities towards members of their "out-group". Nevertheless it can prove difficult for bosses to sustain to their commitment to developing subordinates of whom they have low expectations. One manager, for example, conceded: "Deep down, maybe I feel better when I have to coach [the stronger performer] than one of the weaker performers. In a comparative sense, I may feel, "Oh no, this is not going to be easy!"

Another manager explained that, when discussing problems with a "weaker performer", he always started the conversation with good coaching intentions but sometimes resorted to "spoon feeding the person just a little bit if they are not coming up with the idea". It's the time factor," he said, "that's no excuse, but it is a reality of life. If I had spent another five or another fifteen minutes asking questions rather than telling the person what I wanted them to do, would the person have got it? I hope so, but I don't know for sure, and there are usually other problems I need to attend to."

Bosses who attempt to coach in this frame of mind are not likely to cover up either their real feelings. Worse still, sensing their boss's impatience or discomfort, subordinates may become anxious and distracted learners - thereby confirming the boss's view that the time could be more profitably spent.

Our observation and interviews confirm that bosses significantly adjust their behavior towards individual subordinates - and that subordinates are very much aware of these shifts. Occasionally these differences can be explained by emotional considerations such as limited patience and frustration. For the most part, however, the differences are quite conscious and deliberate. They seem to stem from a theory of performance concerning the limitations of weaker performers and the most appropriate way for the boss to overcome them. The full consequences of that theory are mapped out in Exhibit 1.

The bottom line is: subordinates know what you really think of them! For bosses who doubt this, there is a simple test: Can you tell if your boss really trusts you and believes in you? Can you tell whether s/he has faith in your ability to solve problems and manage
your operation? If you think you can, the chances are that the people reporting to you also can!

**Explaining Bosses' Behavior**

Clearly, no right-minded manager is going to convey low expectations deliberately, suspecting the likely impact on individual motivation and performance. So why do bosses behave this way? Essentially they are victims of well-known cognitive processes - known as categorization and attribution bias - without which we could not function, but which sometimes mislead us.

Both intuitively and from the psychology literature we know that people are inclined to categorize others - from members of our own family to foreigners we have never met. Why? For the sake of cognitive simplicity. Because it makes life easier and our use of energy more efficient. 'Labels' provide a starting point for interacting with others. For instance, labeling subordinates helps bosses to determine quickly who should get which tasks. Unfortunately, the labels are rather more arbitrary than many managers would like to believe.

Researchers have shown that whether a subordinate ends up in the boss's in-group or out-group depends on both performance and compatibility. Of course, performance itself is a multifaceted notion so perceptions of it vary between bosses - and since no subordinate can do everything well, the overall performance label accorded depends on which measures of performance a given boss happens to favor. As though this were not arbitrary enough, there are suggestions that affective variables may actually outweigh objective performance in predicting sub-group membership.

Studies have shown that perceived compatibility may be based on demographic similarities, like age, education or social background, as well as value or attitudinal affinities, or even problem solving and performance theory similarities. Such impressions may be forming as early as the selection interview. An assumption of compatibility may predispose a boss to judge a subordinate's performance in a positive light - or that compatibility may facilitate the subordinate's performance - either way, helping to nudge the relationship in the right direction. In addition, subordinates who are better able to 'read' their bosses may find it easier to exhibit appropriate behaviors. Thus, impression management is also a factor in the uneven development of boss-subordinate relationships. For all these reasons, the validity of 'stronger performer' and 'weaker performer' labels, especially when they come early, is debatable.

Besides the accuracy of the labels, there is the question of their durability: the fact that first impressions last. Attribution theory tells us that people attribute different causes to events, depending on who the subject is. For example, within organizations, the same behavior from men and women can attract quite different interpretations: he's decisive, she's impetuous; he's serious, she's uptight; or he's determined, but she's inflexible.
A well-established effect in the attribution literature is the "self-serving bias" which posits that when individuals succeed they are likely to invoke internal causes such as effort or ability, but when they fail, they will blame it on unfavorable circumstances. These preferential attributions typically extend to members of one's in-group. Thus, bosses are more likely to give in-group subordinates credit for their successes while tending to disregard or minimize their failures.

Members of the out-group are likely to suffer from the opposite attributions, with failures being pinned on them personally, and spectacular successes being considered "flukes". Having "made up their minds" about perceived weaker performers' limited ability and motivation, bosses are liable to look selectively for supporting evidence while failing to notice contrary evidence. Shifting from the boss's out-group to in-group becomes almost impossible.

**Persisting in the Face of Failure**

Given the dysfunctional consequences outlined above, one might justifiably ask: If the boss's behavior is indeed partly responsible for leading "weaker performers" to reduce their efforts, how is it possible that smart executives do not notice this phenomenon and modify their behavior towards weaker performers?

This, of course, is the very nature of a self-fulfilling prophecy! Bosses get from perceived weaker performers the behavior they expect to observe, so they are not led to examine their own responsibility in the process. Moreover, as successful executives they are unlikely to have been on the receiving end of such a dynamic and may simply not know how frustrating or demotivating it is to be a trapped in the boss's out-group.

The process is *self-fulfilling* because the boss's behavior contributes to the subordinate producing the very behavior that the boss expected from the subordinate. For example, the boss is very directive in terms of what to do and how it should be done, so the subordinate gets used to being told what to do, progressively becomes more "mechanical" and stops proposing new ideas, thus "confirming" the boss's belief that the person "is not very proactive", nor someone "capable of taking charge of problems".

The process is also *self-reinforcing* because the boss's beliefs on how "weaker performers" behave are reinforced, which will trigger more of the same behavior on the boss's (and the subordinate's) part. For example, the subordinate's withdrawal makes the boss feel increasingly isolated from the area. This increased distance lessens the boss's sensitivity to the difficulties faced, and the progress made, by subordinates. It also diminishes the boss's ability to contribute to the decision making process and to reassure him or herself that the subordinate has things well in hand. This, in turn, fuels the boss's frustration with the subordinate and the desire to exercise greater control, which makes interactions progressively more painful and punitive for subordinate, and makes him/her increasingly defensive.
Consider another example of the vicious circle. Perceived stronger performers show a willingness to signal problems early because bosses tend not to take authority away from them too quickly. As one high performer noted: "If you keep communications going, if you keep him informed of what's going on, he's willing to let you do more things." With perceived weaker performers, on the other hand, bosses tend to react in more directive and sometimes punitive ways much more quickly. This can make "weaker performers" more reluctant to report problems. However this can result in delayed problem recognition which means that when the problem finally surfaces, the boss is forced to take drastic action ("when the barn is on fire, you don't get into a debate, you just step in and put out the fire!"). Yet, a forceful intervention on the part of the boss merely confirms the subordinates' view that it is best to try to solve problems on their own (which may include hiding them from the boss), because when the boss gets involved, s/he takes the issue away from you. Alternatively, a forceful intervention may encourage the subordinate to clear routine decisions in advance (for fear of being overruled later) which merely confirms the boss's view that the subordinate lacks initiative and needs close supervision.

Such vicious circles are far more common than is typically acknowledged. They are not primarily the consequence of poor implementation. As we have seen, the behavior of bosses towards lower performers is intended, even if some of its effects are unintended. It is not a 'production' problem, but a theory problem. It is as if, when confronted with a lower performer, bosses switched to a sequence of behaviors which almost guaranteed the failure of that subordinate. This eight step sequence, summarized in Exhibit 2, shows that 'common sense' is not always the best guide for managers.

Getting it Right

For managers who can accept that they may inadvertently be contributing to the underperformance of certain subordinates, there is an obvious question: What can they do about it? We can offer two answers: an immediate one, and a longer term one.

To interrupt the vicious circle, both parties have to sit down to investigate and decrease the uneasiness in their relationship. This initiative must come from the boss, since unappreciated subordinates may fear being further branded as "incapable" or "a whiner", and reinforcing their boss's lack of confidence in them. The aim of the intervention is not to apportion the blame for triggering or sustaining this unhealthy relationship. What needs to be examined are the behaviors which are sustaining the unhealthy relationship - what are the intentions behind these behaviors and how are these behaviors being interpreted?

Such a discussion does not demand particular insight or training. In principle, it is like any root cause analysis. Think of a doctor approaching an illness. The remedy is a function of the diagnostic; the diagnostic is an interpretation of the syndrome; the syndrome is a set of symptoms described by the patient with help from the doctor. The difference in the case of a work relationship, is that both parties have an important view -
so the root cause analysis needs to be joint effort, with each party articulating their attributions and expectations.

The difficulty of these interventions, and the reason they rarely take place, is because managers lack confidence in their ability to hold such a discussion in a productive way. There is a problem of mindset. Managers who go broach the discussion thinking "I will have to reveal what I really think of him/her" and he/she "is going to get defensive" and "won't want to change", are going to have trouble faking openness. The good news, for managers prepared to work on their mindset, is that it helps not just with interventions, but also with preventing vicious circles from developing in the first place.

We have come across some managers who trigger virtuous performance spirals (Pygmalion effects) with all their subordinates, including their overall weaker performers. What we have observed is that their behaviors are anchored in three key beliefs. First, they believe that subordinates should have a strong say in how they go about doing their jobs. They demonstrate this by listening and sometimes deferring to subordinate suggestions, by explicitly inviting subordinates to challenge them, and by planning their reduced involvement over time.

Second, these managers have real faith in people's innate desire and capability to develop and improve. This means that they do not subscribe to the dangerous notion of potential. Potential may not unlimited, but nor can anyone tell how much another person has. When managers get it into their heads that certain people have "limited potential", they tend to behave accordingly, and will often get the response they expect.

Third, these managers see people as valuable in themselves, not just as resources. This helps them to distinguish between the person and the performance, to withhold labelling and hasty attributions, and therefore allows them to react constructively when dealing with low performance.

These beliefs, in conjunction with strong self-monitoring and willingness to challenge their own assumptions, enables these managers to behave in a learning oriented manner with all subordinates, not just the smartest. It makes it easier for them to talk to people and therefore identify the real source of performance difficulties, rather than jumping to solutions. It helps them to monitor subordinates in a way that is not perceived as punitive but which stimulates individual development. It allows them to give directions without giving an impression of either lack of trust or low expectations.

How managers internalize these values - which allow them to enact a "learning approach" even under pressure - is the subject of our on-going investigations.

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The managerial distinction between in-groups and out-groups was introduced in a study by F. Dansereau, G. Graen, and W. J. Haga. ("A Vertical Dyad Linkage Approach to Leadership within Formal Organizations: A longitudinal investigation of the role making process," Organizational Behavior and Human Performance, 1975, 13, 46-78). A follow up study by R. Liden and G. Graen found that managers developed differentiated relationships with their subordinates in over 90 per cent of the cases considered ("Generalizability of the Vertical Dyad Linkage Model of Leadership", Academy of Management Journal, 1980, 23 (3), 451-465). More recently, research by R. C. Liden, S. J. Wayne, and D. Stilwell has shown that boss perceptions of subordinates assessed during the first few days of working together are related to subordinate perceptions of the quality of their relationship six months later ("A Longitudinal Study on the Early Development of Leader-Member Exchanges," Journal of Applied Psychology, 1993, 78 (4), 662-674).

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Our explanations of why subordinates react negatively to the boss's increased control and monitoring are drawn from the work on motivation of E. L. Deci and R. M. Ryan (Intrinsic Motivation and Self-determination in Human Behavior, 1985, New York: Plenum.) The authors identify self-determination, competence and relatedness as the three innate needs of individuals.
Finally, the reluctance of managers to discuss openly their lack of confidence in subordinates, to present things in a positive light in order to avoid situations of threat and embarrassment is discussed by Chris Argyris in "Good communication that blocks learning", *Harvard Business Review*, July-August 1994, 77-85.
This map is one possible representation of the causal linkages between the various dimensions discussed in the article. Richard, the boss, regards his subordinate, Michelle as a less-than-excellent performer. He starts off with a theory of how "weaker performers" are likely to behave: they do not drive to excellence on their own (they need to be pushed to it and may try to evade accountability) and they may not ask for help when they get into trouble.

As a result Richard will perform more monitoring on Michelle, ask more specific questions to her, and generally provide less positive reinforcement than he would to a "better performer". He will also pay more systematic and intense attention to unfavorable results reported by Michelle, which means that he will immediately notice when Michelle reports or encounters something that looks like a problem.

Believing that "Michelle will not ask for help even if she needs it and she will not drive to excellence on her own", Richard will then want to get involved in the analysis and resolution of the problem faced by Michelle. This involvement is likely to end up involving clear directives as to what Richard wants Michelle to do. (Richard is busy and tends to be less patient with perceived weaker performers).

Subordinates on the receiving end of such behavior tend to give up on their hopes of personal autonomy and end up executing the boss's directives in a mechanical and uninspired manner ("he never likes what I do, so I'll just do it his way and get it over with"). The prospect of having to argue with the boss over the right course of action also leads subordinates to tend to keep their ideas to themselves and to avoid interactions with the boss. Note that this is exactly the type of behavior that the boss expects of low performers, which reinforces Richard's belief that Michelle is indeed a lower performer who needs to be "led" to excellence.
Exhibit 2

Undermining performance in 8 easy steps

1) 'Type-cast' subordinates early into good and bad performers.

2) Put a brave face on relations with the ‘losers’ so that their shortcomings don’t have to be discussed.

3) Assume that the poor performers cannot detect your lack of confidence in them.

4) Step up your involvement in their area to make sure that things get done.

5) Stop giving them the benefit of the doubt - oblige them to come to meetings armed with excuses.

6) Ignore signals of uneasiness or withdrawal.

7) Do not try to understand their behavior.

8) Assume they are entirely to blame for the deteriorating relationship. Do not examine your own potential responsibility.