For the exclusive use of L. Wan, 2021.

HARVARD | BUSINESS | SCHOOL

9-496-022

REV. JANUARY 8, 2002

JOHN J. GABARRO

LINDA A. HILL

Managing Performance

This note reviews some of the fundamentals of managing subordinate performance: (1) evaluating performance and diagnosing performance problems; (2) providing feedback on performance; and (3) coaching and counseling subordinates to improve their performance.

Evaluating Performance and Diagnosing Performance Problems

For many managers, their diagnoses of subordinate performance are not much more than an undifferentiated set of impressions, reactions, and feelings. They rarely take the time to systematically review subordinates' performance given the parameters of their job requirements: (1) What do they do well; (2) What do they do poorly; and (3) What, if anything, can be done to improve their performance?

More and more companies are requiring that managers periodically conduct formal performance appraisal interviews with their subordinates (this practice is especially prevalent in the United States). Preparing for such formal appraisal interviews forces managers to take the time to assess subordinate performance.

Below are some guidelines for conducting a thorough in-depth assessment and diagnosis of subordinate performance *before* giving them feedback:

- **Have you adequately prepared for the interview?** Ensure that you have some *uninterrupted* time to do this. Even if you are pleased with the overall performance of a subordinate, allow yourself at least two to three hours to reflect and probe your own thoughts.

- **Can you make cause-effect linkages between your subordinates' strengths and weaknesses and *tangible outcomes* or measurable results?** Doing this analysis will help to surface and test your assumptions and reveal any biases or blind spots you may have. (E.g., is there really a problem with your subordinates' performance, or is their performance fine but they do not use the style *you* would rely on to get the job done?).

- **How often and to what extent have you intervened in your subordinates' areas of responsibility?** It can be difficult to differentiate the results of your own actions from those of your subordinates if you have frequently overruled their decisions or intervened in their assignments (e.g., Have you been "carrying" a weak subordinate along?).

Professors John J. Gabarro and Linda A. Hill prepared this note as the basis for class discussion.

Copyright © 1995 President and Fellows of Harvard College. To order copies or request permission to reproduce materials, call 1-800-545-7685, write Harvard Business School Publishing, Boston, MA 02163, or go to http://www.hbsp.harvard.edu. No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of Harvard Business School.

This document is authorized for use only by Le Wan in MGT 200-002- Fall 2021 taught by ELAINE WONG, University of California - Riverside from Sep 2021 to Dec 2021.

For the exclusive use of L. Wan, 2021.

- **To what extent are your own actions a source of your subordinates' problems?** Put more bluntly, in what ways are you part of the problem? Would your subordinates be more effective if you were not always interfering in their areas or if you made more resources available to them? To treat people fairly is to treat them differently; are you making any effort to adapt your style to fit their preferred style, competencies, and situation?

- **When diagnosing performance problems are you able to identify root causes?** For example, are performance problems the consequence of deficiencies in motivation or ability? If the underlying cause is ability, does the subordinate lack the necessary aptitude (native competencies, personality characteristics, and style preferences) or training and experience? This analysis will help put an individual's performance limitations into the proper perspective and identify action implications.

- **Which of your subordinates' limitations or weaknesses cannot be corrected?** Ask yourself why you believe they will be unwilling or unable to address these shortcomings. Is it because they lack essential background experience that it is simply too late for them to acquire? Is it because of a profound misfit between personal style and the job requirements? Is there some "experiment" you can do to test your hypotheses that is low risk to the firm, the individual, and you?

  If, in diagnosing performance problems, you conclude that an "unchangeable" factor is the source of a major performance problem, then you are faced with a need for further diagnosis. In such an instance, you must address the underlying question of the subordinates' overall effectiveness on the job compared to whether or not their strengths outweigh (or compensate for) their limitations. Depending on the answer to this question, there are essentially two alternative courses of action:

  - **Move them out of the job.** Transfer them to another position where their abilities can be better utilized and where their limitations are not so critical; or if the circumstances warrant and allow it, discharge them from the company.

  - **Retain them but compensate for their limitations.** Try to restructure the situation so that they can optimize their strengths by redefining the job such that those activities at which they are poor are given to others to do. By definition, this is a suboptimal action but sometimes the one that is indicated.

  If you choose the second alternative (compensating for a subordinate's limitations), you are then faced with an implementation challenge. Some subordinates will greet such job redefinitions with relief and will be eager to let go of responsibilities at which they do not excel. Others will resent them especially if important aspects of their self-concept are threatened or their reputation is undermined. It is important to devise an approach that allows subordinates to maintain their sense of dignity and self-respect when their domain is being cut back.

- **On what strengths can your subordinates capitalize to further increase their effectiveness?** Managers often focus only on subordinates' weaknesses when making assessments (and providing feedback). But it can be as difficult for people to learn how to take full advantage of their strengths, as it can be to correct their weaknesses. Assess what can be done to enable subordinates to fully exploit their talents. (E.g., is it time for you to give them more autonomy so they can develop their leadership and creative skills? What stretch assignments might you make available to help them refine and learn how to take more advantage of their talents?)

This document is authorized for use only by Le Wan in MGT 200-002- Fall 2021 taught by ELAINE WONG, University of California - Riverside from Sep 2021 to Dec 2021.

For the exclusive use of L. Wan, 2021.

Providing Feedback on Performance

Subordinates find it easier to learn and improve their performance when they receive ongoing feedback. Feedback is most helpful when it is:

- **Timely**. Frequent and constructive feedback is all too scant in organizations. Often the first notification that subordinates receive that they have performance problems occurs during their formal annual performance appraisal interviews, when it comes as an unpleasant surprise.

- **Descriptive and specific**. Use specific examples to illustrate what you mean when describing strengths and weaknesses. Many subordinates naturally feel defensive when receiving feedback and are incapable of listening well or tend to overreact or to distort what they hear. Being specific makes it easier to "hear" negative comments and, equally important, easier to take corrective action.

- **Given without the use of subjective, general attributes**. General (and highly subjective) attributes such as "lacking leadership" or "not enough personality" are inappropriate to use for several reasons. First, they are so general they do not mean anything. Second they are subject to many different interpretations so that while you may think subordinates have understood what you mean, in fact they may have not. Finally, they are emotionally charged. For most subordinates who view themselves as managers, "leadership" is a loaded word. To tell managers that they "have no leadership" is, in many cases, tantamount to telling musicians they have no talent.

  A more constructive (and potentially less emotional) way of handling such matters is to be precise about what you mean by "leadership" or not use the term "leadership" at all. Instead, disaggregate what you mean in terms of specific behaviors or actions or the lack thereof. For example, say, "You prefer to ponder decisions when quick actions are needed"; "You tend not to allow your subordinates to take initiative"; "You delegate too little [give examples]"; or "You delegate too much [give examples]."

  Similarly, identify what you really mean when you are tempted to use a word like "personality" or "motivated." To tell individuals they are not motivated will create defensiveness and may not give a specific sense of what you mean. Do you mean that they do not take initiative often enough? That they leave at 5:00 p.m. in the middle of an urgent situation? Or that their staff work is not detailed enough? These are specific behaviors that subordinates can act upon.

- **Oriented toward problem solving and action**. Every effort should be made to build developmental partnerships with your subordinate in which both parties take appropriate responsibility for addressing subordinates' developmental needs.

Conducting a Performance Appraisal Interview

The following are some suggestions about how to conduct formal performance appraisal interviews:

- **Set aside enough time**. Effective performance appraisals require that you and your subordinate take the time to collectively reflect and engage in open dialogue. You should set clear expectations in advance of how long the interview will be to ensure no interruptions.

This document is authorized for use only by Le Wan in MGT 200-002- Fall 2021 taught by ELAINE WONG, University of California - Riverside from Sep 2021 to Dec 2021.

For the exclusive use of L. Wan, 2021.

- **Begin open-ended**. Try not to begin the interview with one-way communication in which you take the lead. If possible, start with an "open-ended" problem-solving approach (i.e., Ask them how they think it has been going or how they have been doing). Encourage an exploration of the subordinate's performance, preferably by asking them to assess their own strengths, limitations, and results. There are some risks in allowing subordinates to take the lead at the outset of the interview (in fact under some circumstances it should not be done); you are in fact giving up some control. However, much of the time this approach has a number of advantages. First, they might acknowledge problem areas and performance problems on their own. Second, you can often learn about problems or underlying causes of problems about which you are unaware. Since the subordinates have introduced the problems, they are more likely to feel "ownership" for them and therefore be more receptive to developing action plans to address them (although this is not the appropriate time to do action planning).

- **Do not allow the performance appraisal form to dictate the interview process**. If you begin by following the form, it can lock you and your subordinates into an item-by-item negotiation of specific issues which can lead to defensiveness on the parts of the subordinates. Moreover, you are likely to lose a sense of perspective; less important issues will receive as much attention and weight as more important matters.

- **When providing feedback, make an effort to balance inquiry and advocacy**. A blending of advocacy and inquiry (taking a position but also inquiring into and remaining open to others' views) promotes collaborative learning.[1] You should lay out your reasoning, and then encourage them to challenge you. (E.g., "Here is my view and here is how I have arrived at it. Does this make sense? What doesn't?") Two people can observe the same event or outcome, yet perceive them quite differently because they have focused on different details. You may talk past each other, unless you and your subordinates surface and explicitly test your assumptions. (E.g., you might say, "What are your assumptions about what makes for a top performer?" Do your subordinates share your view? Specifically what data are you relying on in making your assessment of their performance? How are you weighing that data? Do your subordinates agree with your prioritization?)

- **Understand that the ultimate responsibility for closure rests with you, the superior**. It is not always possible to reach mutual agreement on the evaluation of subordinates' performance. The superior should end with a more directive tell-and-sell or tell-and-listen approach to ensure that all critical issues have been discussed and action plans agreed to.

- **Agree to next steps for action**. Based upon your mutual understanding of subordinates' talents and areas of weakness, decide upon short-term and long- term goals for improving their performance. Whenever possible, identify opportunities inside or outside the organization as appropriate, that will enable subordinates to take immediate and specific steps toward achieving these goals. In addition, set target dates for reviewing their progress.

The reader is encouraged to review Professor Michael Beer's *Note on Performance Appraisal* (HBS No. 478-019) for a more thorough discussion of the performance appraisal process.

---

[1]See P. M. Senge, A. Kleiner, C. Roberts, R. B. Ross, and B. J. Smith, *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization* (New York, NY: Doubleday, 1994) for an in-depth discussion of how to balance inquiry and advocacy. For further elaboration on these ideas, see C. Agyris, "Good Communication that Blocks Learning," *Harvard Business Review*, July-August 1994, pp. 79-85, or C. Agyris, "Teaching Smart People How to Learn," *Harvard Business Review*, May-June 1991, pp. 99-109.

This document is authorized for use only by Le Wan in MGT 200-002- Fall 2021 taught by ELAINE WONG, University of California - Riverside from Sep 2021 to Dec 2021.

For the exclusive use of L. Wan, 2021.

Coaching

Effective coaching follows from an effective performance assessment, appraisal, and action plan for improvement. Some general guidelines include:

- **Be as specific as possible**. As with feedback, the more specific and descriptive your coaching, the more likely your subordinates will understand what you are trying to accomplish. You should help them understand not simply what they have done (e.g., financial outcomes), but how their decisions and actions have led to these results (e.g., how effectively they have worked with others).

- **Take advantage of critical incidents**. Treat these events as developmental opportunities. Too often people learn nothing or the "wrong lessons" from experience. Take the time to reflect on the lessons of these events for both you and your subordinates. (E.g., after subordinates complete a major project, schedule time to reflect and talk about what are the key lessons they have learned and major questions they still have from the experience.)

- **Identify specific developmental agendas**. Agree on specific timetables and benchmarks so that you can use them to measure progress.

- **Identify resources available to subordinates**. Brainstorm with subordinates about resources on which they might rely to meet developmental needs. More nonevaluative help-giving can be beneficial when individuals are trying to learn or when they have low confidence in their ability to perform.[2] People and activities outside the company may be more helpful and easily accessible. (E.g., attending a management or technical seminar, visiting key customers, or joining industry associations.) Similarly, "less evaluative" people inside the company may be more helpful to talk to, observe, and learn from. (E.g., a peer in another functional area as opposed to an immediate superior who can provide a broader picture of the business.)

- **Adapt your coaching style to the individual**. People have different preferred learning styles. If your subordinates prefer to learn by example, expose them to appropriate role models. If your subordinates learn best by doing, try to identify projects or assignments from which they will have the opportunity to learn key lessons.[3]

Many managers find it more difficult to coach subordinates who are older and more senior than those who are younger and more junior. This is especially the case when superiors are younger than their subordinates. Unfortunately, our models of learning—"parent child" and "teacher student"—generally involve "older wiser parties" coaching "younger less experienced people." When coaching more experienced subordinates, it is important to acknowledge their particular needs for respect and autonomy. (E.g., be careful not to "talk down to them" and accept that they may be more likely to volunteer suggestions and question your decisions).[4]

There is an interesting "underside" to this dilemma: most people receive less coaching from their superiors the higher they go and the older they get. The assumption is that the higher the level and

---

[2]M.C. Higgins. *When is Helping Helpful? An Interactive Approach to Understanding Recipient Reactions to Help.* Doctoral dissertation, Harvard University, 1995.

[3]See M.M. McCall, M. Lombardo, and A. Morrison, *The Lessons of Experience* (Lexington, MA: Lexington Books, 1988) for a typology of different kinds of work experiences and the particular lessons that can be learned from them.

[4]See L.A. Hill, *Becoming a Manager: Mastery of a New Identity* (Boston, MA: Harvard Business School Press, 1992), pp. 128-141, for the special challenges new managers face in managing the performance of the more experienced subordinate.

This document is authorized for use only by Le Wan in MGT 200-002- Fall 2021 taught by ELAINE WONG, University of California - Riverside from Sep 2021 to Dec 2021.

For the exclusive use of L. Wan, 2021.

the older, the less coaching subordinates should need and the less able they are to benefit from it (i.e., "You can't teach an old dog new tricks"). One of the implications is that reading "soft signals" coming from "upstairs" may be especially important later in one's career, since people tend to be less explicit in their feedback and coaching the older or more senior they become.

Concluding Remarks

The conflict between the managerial roles of evaluator and developer is a timeless dilemma; it can undermine managers' capacity to build developmental relationships with their subordinates. All too often subordinates report that their direct superiors are threats as opposed to allies in their learning and development. Subordinates may be reluctant to disclose mistakes or shortcomings for fear they will be punished, not helped. Consequently, their superiors may have an inaccurate or incomplete view of their subordinates' needs.

Superiors from whom subordinates report they have learned the most or to whom they were inclined to turn for assistance share the following characteristics:

- Show interest in their long-term career development and not just short-term performance.
- Provide supportive autonomy.
- Set high yet attainable goals and hold subordinates accountable.
- Give problem-solving feedback.
- Serve as role models.

The bottom line is that because of these qualities, subordinates trust their superiors for both professional and personal support.

Indeed, performance management demands considerable time, attention, and interpersonal judgment and skill. It will happen only if you make a conscious effort to ensure that it does. It is important to identify your *own* developmental needs in this arena and proactively seek out resources that can help you address them. Managers frequently complain that unrelenting pressure to meet short-term financial objectives comes at the expense of developing their people (e.g., "I don't have time to do performance appraisals"). Most soon discover that such an outlook is shortsighted. The investment in subordinate development brings mutual benefits of increased satisfaction and productivity.

This document is authorized for use only by Le Wan in MGT 200-002- Fall 2021 taught by ELAINE WONG, University of California - Riverside from Sep 2021 to Dec 2021.