

# People Management - The Ultimate Guide

This guide contains a structured, comprehensive set of information about how to be a great people manager. I gathered all the knowledge from literature, trainings, my personal experience..., structured into sections, and wrote it into this guide.

This guide is a dynamic, **evolving** set of information. I am modifying it as I discover new knowledge.

## References:

- Coursera courses
- *Core of People Management* - OLX Group
- OLX Group my personal *Engagement Plan*
- OLX Group other materials
- *Guiding references for Engineering Managers* (OLX Group)
- My personal experience
- <https://www.ccl.org/articles/leading-effectively-articles/closing-the-gap-between-intent-vs-impact-sbii/>
- <https://blog.pragmaticengineer.com/performance-reviews-for-software-engineers/>
- <https://www.codementor.io/blog/how-to-be-the-engineering-manager-your-company-needs-1yahjbf97x>
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# Motivation

What are the biggest challenges CEOs around the globe are facing? *The Conference Board* survey for year 2015 shows that the biggest challenge that keeps CEOs up at night is **human capital** - finding, selecting, managing, developing, and retaining talent.

Global N=943	Challenges 2015	Global 2014 N=1020	Global 2013* N=729	Global 2012 N=776
1	Human capital	1	1	2
2	Innovation	T3	3	1
3	Customer relationships	2	4	7
4	Operational excellence	T3	2	N/A
5	Sustainability	8	9	8
6	Corporate brand and reputation	5	8	9
7	Global political/economic risk	6	5	3
8	Government regulation	7	6	4
9	Global/international expansion	9	7	5
10	Trust in business	10	10	N/A

N=Number of overall responses. The response rate varies for each challenge. Each score represents the mean of the ranks given the challenge. For information about how the scores were created, see "About the 2015 Survey" on page 50. T=Tie.

It's nice to have a great strategy, but you need to execute it. And this is where your people become a critical piece of the puzzle because a **strategy is carried out by people**. The key question here is do your people have the right skills and competencies to execute the strategy?

# Hiring

TODO:

- From the *Managing Talent* course
- Your idea about the overlap between company vision and candidate personal vision and how this should be addressed in the hiring phase

# Relationship and Communication

## ===== Outline

Two-way street

    Girl in a red dress

Emotional intelligence

CCTC - Course Jornal

Building relationships

    Trust is a must (From *Core of People Management*)

    Core of People Management -> Notes -> Building Strong Relationship

    Open-ended questions, providing a safe environment

- Udemy - The Essential Guide for Effective Managers -> Section 2: Connect and Build Rapport
- Udemy - The Essential Guide for Effective Managers -> Section 3: Communication Standards and Expectations

Conflict resolution (from *Core of People Management*)

Essential conversations

- 1-1s
  - How to structure them
  - Udemy - The Essential Guide for Effective Managers -> Section 5: Leveraging Authority
  - OLX Engagement Plan
- other meetings (OLX Engagement Plan)

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# Two-Way Street

Communication is a cycle.

The main cause of conflicts is false expectations.

**Example:** A lecturer said to us "*I want you to paint in your mind a girl in a red dress.*". And then he started asking us questions like what is her height, age, hair color, shoes... The image on the left portrays what we described, while the image on the right portrays what he had in mind:



**Example:** You ask people to name one of their favourite football players. People from Europe will say Cristiano Ronaldo, while people from US will say Tom Brady.

# **Emotional Intelligence**

TODO

# Building a Culture

## Accountability & Responsibility

*"If my people don't take full responsibility, I end up micromanaging them to get things done. And then, when things don't work out right, they don't take accountability. No one takes the lead."*

Missing A&R leads to:

- Micromanagement
- Frustration
- Lower effectiveness
- More work
- Dissatisfaction

which leads to the **loss of trust**.

To establish accountability & responsibility, you need to:

1. Establish a **mindset** of accountability & responsibility
2. Establish a **process** for accountability & responsibility

**Whenever you establish a process, without a mindset, you have to enforce it.**

For example, if the population does not have an environmentally aware mindset, you will have to enforce fines for throwing trash in nature.

**Establishing A&R mindset:** Have an open discussion with your team about A & R.

- Let your team know that you would like to provide them with as much freedom and as little control. Make the team aware that the basis for this is accountability and responsibility.
- Let your team know that the lack of A&R leads to micromanagement, ineffectiveness and mistrust.

## **Establish A&R process:**

1. Make clear requests
  - If you don't make a clear request, you can't make anyone accountable for it.
2. Make a clear commitment when responding to requests
  - Before you commit, ask yourself:
    - Do I have enough time & resources to complete the request?
    - Do I depend on someone/something to complete the request?
    - Am I clear about the request?
3. Answer the request clearly
  - Provide one of the following responses:
    - I commit!
    - I don't commit.
    - I commit under the following circumstances.
    - I need some more clarification.
    - I commit to respond by...
4. Honest apology - when shit hits the fan
  - Tell the other person immediately, don't wait!
  - Deliver an honest apology.
  - Offer a solution to solve the issue.

# From Competition to Collaboration

Creating collaborative teams is done in 5 steps:

## 1. Create a safe environment

- Employee: "*I have this problem and I don't know how to solve it. What should I do?*"
- Instead of answering and telling them what to do, you return the question: "*What do you suggest?*"
- Employee: "*Well, we could do this and that and then go from there.*"
- You: "*Sounds good, go for it.*"
- Employee: "*What if it doesn't work?*"
- You: "*We will fix it.*"
- The employee felt that he might not be competent enough, that there is no safety.  
But you provided him with relief, basically saying to him: *You are ok, this is a safe environment.*

## 2. Become a facilitator

- Stop managing them, instead serve them with an environment where they can thrive
- Let your team decide. Provide guidance and suggestions, instead of telling them what to do. If they can decide, they will take ownership.
- Jointly develop ground rules

## 3. Establish the rules of the game

- Define the values by which your team operates
- Without values, you can't hold your people accountable to them. All you can do is telling them to improve their quality over and over again.
- If you don't follow the rules, you cannot be a part of the team.
  - That doesn't mean you are bad. You're ok, we just need to find a place where you can be yourself.

## 4. Release the power of purpose

- There is no point in collaborating with others if people don't know why.
- The common goal (vision) needs to be brought closer to the team.
- Develop a strong common purpose within your team.

## 5. Implement processes

- Implement a process for when people fall back into competition (stop playing by the rules)
- Anyone in your team should be able to initiate this process as soon as they feel that collaboration is jeopardized.
- Processes:
  - Check-in process
    - Give everyone an opportunity to say “I would like a check-in.”
    - The check-in is a time to reflect about how decision or a behavior is or is not in alignment with the core values of the team.
  - Evaluation and hiring process
    - Even if superman walks in and tells you he will solve all your problems, if he doesn’t fit in your core values, don’t hire him

# Setting Goals

Clearly defined and communicated goals can increase performance by helping us:

- **Direct effort and attention** – Toward activities that support the goal, and (more important) away from activities that don't support the goal.
- **Energize and motivate** – Goals can help us maintain high levels of energy.
- **Increase persistence of effort** – Goals can help us persevere.
- **Learn** – Goals help us discover and use task-relevant knowledge and strategies.

# Vision

A study has shown:

- Only 15% of employees understand the organization's top goals.
- Of the people who know the goals only 19% are bought into the goals.
- People only spend 49% of their time working towards those top goals.
- 51% of people do not understand what they can do to help achieve the company's top goals.

Managers need to help create this connection between the employees and the top goals.

Use your next 1-1 meeting with your employee to discuss the person's role, the company's strategy and vision for the future, and how the person contributes to these goals.

Schedule 30 to 60 minutes.

Use the following meeting outline to help facilitate the discussion:

**Company Vision and Strategy.** Create a clear picture of the company's vision for the future and strategy to get there. Reinforce the mission of the company and how the team supports this mission.

**The Connection.** Discuss how the employee's work connects to the company vision and strategy.

- What work directly contributes to the company vision? How?
- What are the consequences if the employee delivers great performance or poor performance?
- Why does the company need the employee to do this work?
- What actions or behaviors are required to support the company strategy?

**Summary.** Ask the employee to share what motivates them about this discussion and the future. Have the employee summarize the connection and the value the person believes they can bring to the team and company.

Touch base with your employee from time to time to see how the person is doing, and to make sure he or she is still on track towards making a strong contribution to the team and company future. Also, as new work projects come along, ask your employee to think about how this new work contributes to the company strategy.

# Vision Framework

An effective vision answers the three fundamental questions:

- **Why** do we exist? Why do we do what we do?
- **What** does success look like? Definition of success.
- **How** must we act to ensure success?

## Why?

*Why do we exist?*

Here are some example answers from some well-known companies:



*"...to be Earth's most customer-centric company for four primary customer sets: consumers, sellers, enterprises, and content creators."*

*"To refresh the world...to inspire moments of optimism and happiness...to create value and make a difference."*



*"...to change the world-wide poor quality image of Japanese products."*

*"...to democratize the automobile."*



Recommended materials:

- [How great leaders inspire action](#) TED talk [17:48]
- [Start with Why – Simon Sinek](#) book

## What?

*What does success look like?*

Here are some example answers for some well-known companies:



**American Red Cross** “...to prevent and alleviate human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors.”

The American Red Cross, through its strong network of volunteers, donors and partners, is always there in times of need. We aspire to turn compassion into action so that...

...all people affected by disaster across the country and around the world receive care, shelter and hope;

...our communities are ready and prepared for disasters;

...everyone in our country has access to safe, lifesaving blood and blood products;

...all members of our armed services and their families find support and comfort whenever needed; and

...in an emergency, there are always trained individuals nearby, ready to use their Red Cross skills to save lives.

## SONY®

“We will experience the sheer joy of innovation and the application of technology for the benefit and pleasure of the general public. We will create products that become pervasive around the world. We will be the first Japanese company to go into the U.S. market and distribute directly. We will succeed with innovations that U.S. companies have failed at, such as the transistor radio. Fifty years from now, our brand name will be as well known as any in the world, and will signify innovation and quality that rival the most innovative companies anywhere. “Made in Japan” will mean something fine, not something shoddy.”

## How?

*How must we act to ensure success?*

This question is ultimately getting at the values that will guide the choices and behaviours for yourself, but even more importantly, your team members. One of your responsibilities as a leader, because you're not going to always be there in the room when people are behaving, making decisions, and acting. You need to be able to provide the values that are going to guide decisions and guide actions. And ultimately these values have to be embedded in the vision that you are creating and communicating for your team.

Here is an example of this answer for Johnson & Johnson:



"We believe our **first** responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees...Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our **final** responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas.

Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

And here is an example for Apple (Tim Cook):

**"We believe that we are on the face of the earth to make great products and that's not changing. We are constantly focusing on innovating. We believe in the simple not the complex.**

**We believe that we need to own and control the primary technologies behind the products that we make, and participate only in markets where we can make a significant contribution. We believe in saying no to thousands of projects, so that we can really focus on the few that are truly important and meaningful to us. We believe in deep collaboration and cross-pollination of our groups, which allow us to innovate in a way that others cannot.**

**And frankly, we don't settle for anything less than excellence in every group in the company, and we have the self-honesty to admit when we're wrong and the courage to change."**

# Communicating Vision

After you've answered to three questions we talked about, you also have to think very carefully about the language that you're going to use to communicate that vision.

The following is a simple framework (checklist) that you can use to communicate a really compelling vision.

1. **Refer to fundamental values.** Refer to the values specified in the third answer – *How must we act to ensure success?*.
2. **Use stories, anecdotes, metaphors and analogies.** You can refer to the above values explicitly, by calling out (listing) the values, but it is usually more effective to use stories, anecdotes, metaphors or analogies as communication vehicles to transfer the meaning of those values.
3. **Use rhetorical questions.**
4. **Use 3-part lists.** E.g. “Here are the 3 things I am going to tell you.”, and then at the conclusion remind them about that 3-part list.
5. **Express moral conviction.** Research has found that referring to the beneficiaries of your work (“customer”) is hugely impactful. Express the moral conviction about why we do what we do and why does it matter. Here you want to go back to your answer to the first question – *Why do we exist?*.
6. **Use inclusive language.** Don't use “I”, but instead use “we”, “our” ...
7. **Repeat, repeat, repeat.** Make sure you are repeating the key messages. In the Steve Jobs video, you'll remember that he repeated multiple times “getting back to the basics”.

Keep in mind that up to **60% of the socio-emotional meaning of a message is conveyed via non-verbal cues.**

The research identified 3 non-verbal success factors:

- **Vary your intonation, volume and pitch**
- **Smile (genuinely)**
- **Maintain an open body posture**

# Goals

## What's the PONT? (Point of Need and Time)

There may be a lot of exciting projects you want to work on, but ultimately you have to align and prioritize your projects to ensure you are making an impact with your work.

*"There is nothing so useless as doing efficiently something which should not be done at all."*

- Peter Drucker

We should never do anything just for the sake of doing it. Instead, we should examine everything we are doing and ask the questions:

- How is this making a positive impact on my organization?
- How am I driving change?
- How does this task relate to the company's top goals?

### What's the PONT?

- Why is a project or a task necessary at all?
- When are we going to need this?

This helps us to ensure we're being as effective in our work as possible.

# Popular Goal Setting Frameworks

## SMART

- The disadvantage of SMART goals is that they don't align with or cascade from other goals. They can exist without connection to other business objectives.

## BSQ

- Meaning: *Think Big. Act Small. Move Quickly.*
- Implementation:
  - Define a big goal/achievement
  - Set smaller milestones to reach that big goal
  - Set a timeline to your goals and move quickly to reach them.
- Disadvantages:
  - Doesn't leave space for having multiple large goals or cascading goals within an organization. All the goals just sit around completely disconnected from one another.
  - Doesn't provide any clarity around metrics for attaining goals.

## V2MOM

- Meaning: *Vision, Values, Methods, Obstacles, Measures*
- Advantages:
  - A very thorough framework that allows for strong, measurable goals that are aligned with the strategic vision of an organization.
  - Asks you to think about obstacles as well, instead of just assuming everything work out perfectly
- Disadvantages:
  - To be successful, it requires a strong strategic vision from the top of an organization that everyone can align their work to. And that is not always present.

## OKR

- Meaning: *Objectives and Key Results*
- Objectives: “*Where do I want to go?*”
- Key results: “*How will I know when I'm there?*”

# Metrics

When writing metrics, you should NOT write them as:

- tasks or completion activities
- things that don't matter
- things that don't really help you achieve your objective

Types of metrics:

- **Baseline:** A single number that is considered your current benchmark.
  - Provides a comparison for future performance.
- **Threshold:** A numerical range that is considered acceptable.

**Example goal:** *To drive a nail into a wall.*

**Bad metric:** *The amount of times you hit the nail.*

**Good metric:** *The amount of nail's length that is inside/outside the wall.*

- Baseline: Currently 0% of the nail length is inside the wall.
- Threshold: 99% of the nail length is inside the wall.

Why is the **bad metric** bad?

- Hitting the nail **doesn't necessarily bring us closer to the goal** (what if you hit it weakly).
- Allows “cheating”. An employee can hit the nail weakly a bunch of times and consider themselves to be performing well. This can **make performance management harder**, less transparent and more biased.
- Might feel pointless for employees to be working on something (hitting the nail) without knowing for sure if that is bringing us closer towards the goal (i.e. if the **task is meaningful**). Weak connection to the goal.

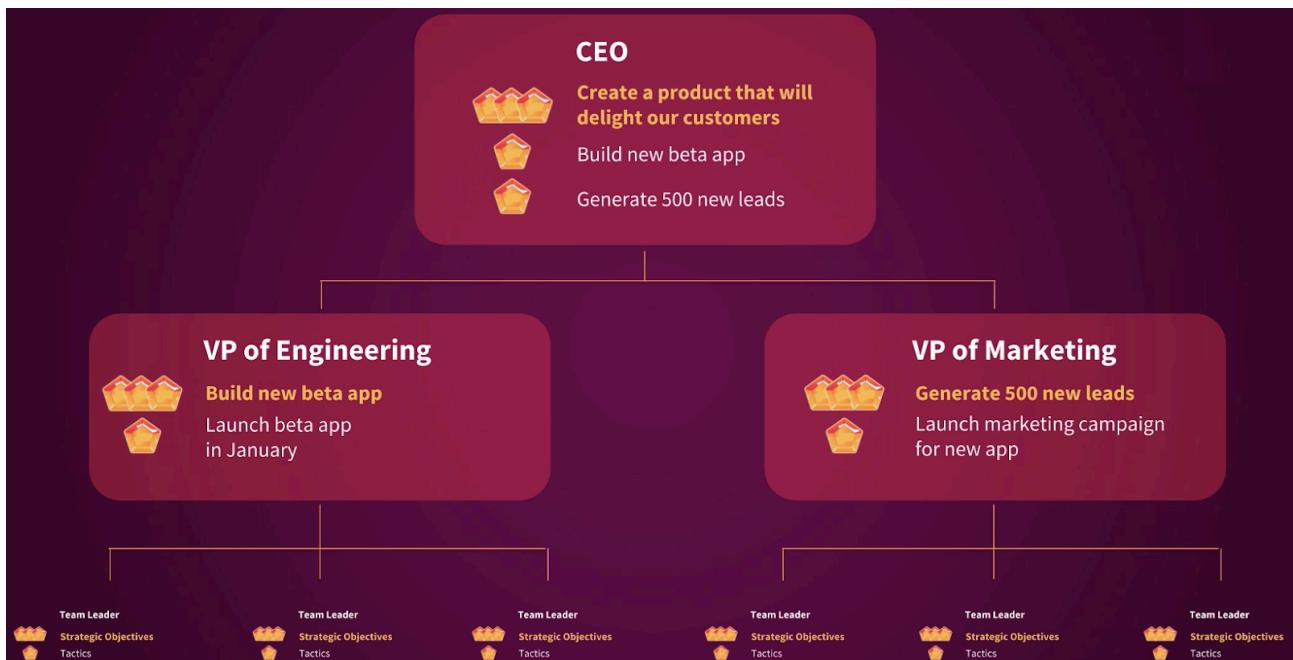
Why is the **good metric** good?

- We know exactly how close we are to the goal at any given time.
- We know exactly how fast we are moving towards the goal at any time interval.
- Employees know exactly how their work is contributing to the goal.

# Goal Cascading

**Goal cascading** is a method for achieving a high degree of organizational alignment and communication so that every employee's goals connect/align to the higher level goals of the organization.

Typically the CEO sets high-level strategic objectives for the company and high-level key results for those objectives. From there, other leaders in the organizations (VPs, directors...) determine which of the key results should their team be responsible for and make that key result their objective, with more specific key results on how to achieve it.



Sometimes multiple departments can share the same key result by dividing the responsibility.

You can practice goals cascading using the [Whose goal is that?](#) sheet. You can find the correct answers [here](#).

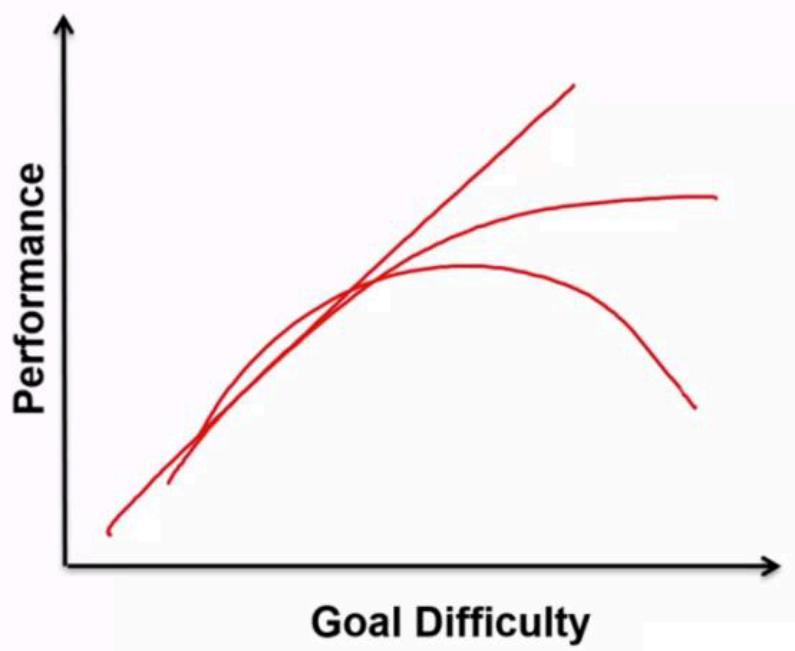
## Potential Pitfalls

You might ask the following questions:

- Do more challenging/difficult goals increase performance more?
- Do goals always increase performance?
- Does any kind of goal increase performance?
- Is there a kind of goal that can decrease performance?

## The Risk of Stretch Goals

The ratio between how challenging the goal is and the performance level can vary.



The studies have shown that the association between goal difficulty and performance critically depends on whether the goal is accepted by the person who is trying to accomplish that goal.

Which goals tend to be accepted?

- Clear and well understood
- Aligned with our ability
- Accepted by people around us (if people around me embrace difficult goals, I'm likely to do so myself)

When setting stretch goals, you should be aware of the following risks:

- Stretch goals can promote **unethical behavior**.
- Stretch goals can **increase dissatisfaction**.

Some industry examples of how stretch goals triggered unethical behavior:

- Sears Roebuck set very aggressive sales targets for its automotive sales people and service people. When the regulatory body conducted an internal inquiry into the company, they found that in over 90% of the cases the automotive servicemen were conducting unnecessary repairs.
- Bausch & Lomb employees falsified financial statements, responding to aggressive stretch goals for revenue and profitability internally.
- Toshiba employees inflated profits by over 1.2 billion, from 2007 to 2015, again responding to very aggressive goals for profitability set internally, and those goals are also endorsed by the financial markets.
- In the state of Georgia in the Atlanta school district, schools faced stretch goals to improve students' performance on standardized tests, and what the Georgia Bureau of Investigation found is that 44 out of 56 schools ended up cheating on the standardized test. 178 principals and teachers were found to have corrected students' responses on standardized tests.
- There is evidence that at least some police officers downgrade crimes to lesser offences to manage crime statistics. In a 2012 survey of retired police officers, it was reported that 80% of officers reported seeing crime rates being manipulated by their colleagues.

It turns out that if you set very aggressive stretch goals, you're more likely to fall short of these goals. This can increase your dissatisfaction because:

- When you fail to accomplish your goal, you tend to focus on the difference between the aspiration level and what you've actually accomplished. This can be really dissatisfying.
- When you accomplish your goal, you tend to compare downward, to all of the other folks who didn't hit a goal. So you're much happier.

## The Risk of Specificity

### Risk #1: It can diverge from your vision and core values.

Specific and discrete goals don't take into account the big picture. This may allow the goal to violate your vision and core values.

*Example:* Ford set a SMART goal to design a car that costs under \$2,000. The cars ended up having their gas tanks rupture in crashes, which is against the company core values.

### **Risk #2: It can lead to unethical behavior.**

Studies have shown that participants with specific goals were nearly four times (!) as likely to overstate their performance, compared to the participants who were instructed to "do the best you can".

### **Risk #3: Conflicts among discrete goals.**

Specific and discrete goals give you very little insight into how these goals can be interrelated.

*Example:*

- Goal 1: Increase sales.
- Goal 2: Decrease advertising costs.

### **Risk #4: Tunnel vision.**

Specific goals can narrow our attention focus too much, which can make us miss the most blatant, obvious things around us.

*Example:* When we ask people to proofread a document for grammatical errors, they're very good at detecting grammatical errors, but they're completely oblivious to blatant content errors. When we ask people to just proofread the document in general, they're equally good at catching grammatical errors, but they're also very good at detecting content errors.

### **Risk #5: Constrained learning and creativity.**

It turns out that when we have specific goals, we're much more likely to be very impatient and even chaotic in our search from one strategy to another. Meaning if we discover a particular strategy to accomplish a goal, we don't sit on that strategy long enough to figure out to what extent that strategy shapes performance. We tend to move on to the next strategy way too quickly, before fully understanding the performance implications of the first one. And that, in the long run, really constraints our ability to learn.

If you're facing a familiar environment, the environment that you understand reasonably well, the environment where you have a very specific subset of strategies that can help you obtain a particular goal. And the environment where you have a set of good intuitions about what would be the most optimal strategy to reach a particular goal. That's when specific goals can be quite effective.

But if the environment is poorly understood, if it's complex, if you have a wide range of strategists to reach a particular goal, and you don't have a strong intuition as to which strategy would be the most effective, think of setting less specific goals. In those

complex, ambiguous, poorly understood environments, “do your best” can actually be an effective goal.

## Progress Tracking

Divide your goal into subgoals (**milestones**), bite-sized achievements to make your goal approachable and keep you motivated. This helps you clearly see the path towards achieving your goal.

Once you've identified your milestones, you should order them and chart them onto a **12-month plan**.

You don't need to know exactly how and when everything is going to unfold, you are making your best guess which can change/evolve in the future.

This chunking of the goal makes it more manageable, and it also helps you visualize your roadmap towards success, which increases the motivation.

**60 days plan:** Now that you have your roadmap, you should brainstorm a new list that focuses only on the next two months.

# Monthly Retrospective

Monthly retrospective is an opportunity for adjustments and tweaks in your plans in order to stay on track towards your goal.

- As you gather new information
- As you gather new experiences
- As you gather new obstacles
- As you gather new challenges

**Questions** you should ask yourself in a retrospective:

- Where are you in comparison to where you are expected to be?
- Where there roadblocks/challenges?
- What can you do differently?
  - Did you encounter any new information that could push you in a different direction?
  - If so, update your monthly milestones.
  - It is a good thing to learn new stuff down the road and make adjustments. There is nothing bad in it.
- Have you discovered anything you need
  - resources
  - skills
  - support
  - ...
- How do you feel? Are you enjoying the journey?
  - If not, what relaxation, fun and leisure can you incorporate in your plan?

Update the next 1-2 monthly milestones based on the previous month if needed.

- If there are some leftover items from last month.
- Based on new findings from the retrospective.

## **Weekly Planning**

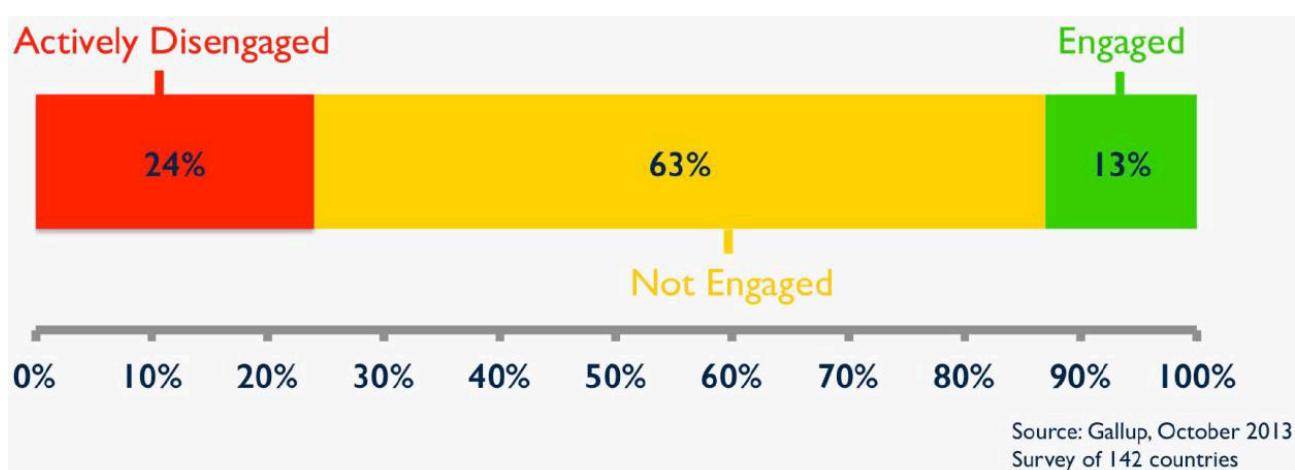
This is where goals meet **action**.

You break your subgoals into actionable tasks - a TO DO list.

# Driving Results

Back in October 2013, a Gallup survey was collected, where people were rating THEMSELVES on how engaged they are at work:

- *Engaged*: Psychologically committed to their jobs and aim to make positive contributions to their organizations.
- *Not engaged*: Lack motivation and less likely to invest discretionary effort in organizational goals or outcomes.
- *Actively disengaged*: Unhappy at work and busy acting out their unhappiness.



As you can see, **87% of people DO NOT rate THEMSELVES as engaged**. This means there is a lot of room for improving performance by addressing the motivation of your employees.

Take a few minutes and write down each of the individuals on your team and categorize them into one of these three categories. What are you observing in your team? What behaviors are you seeing that indicate that they're actively disengaged? What behaviors are you seeing that would classify someone as not engaged. And what are the behaviors you're seeing that would characterize someone as truly being passionate, motivated and engaged in the team.

# Models of Human Motivation

Now we are going to talk about three different **models of human motivation**:

1. **Hierarchy of Needs** (Maslow)
2. **Hygiene Factors vs Motivators** (Herzberg)
3. **Extrinsic vs Intrinsic** (Deci + Ryan)

# Hierarchy of Needs



The *Hierarchy of Needs* model was created by Maslow in the 1940s. It ranks the human needs by their importance. The bottom ones are more important, and if the needs from a particular layer are not met, then any of the above layers don't matter in terms of motivating people to perform.

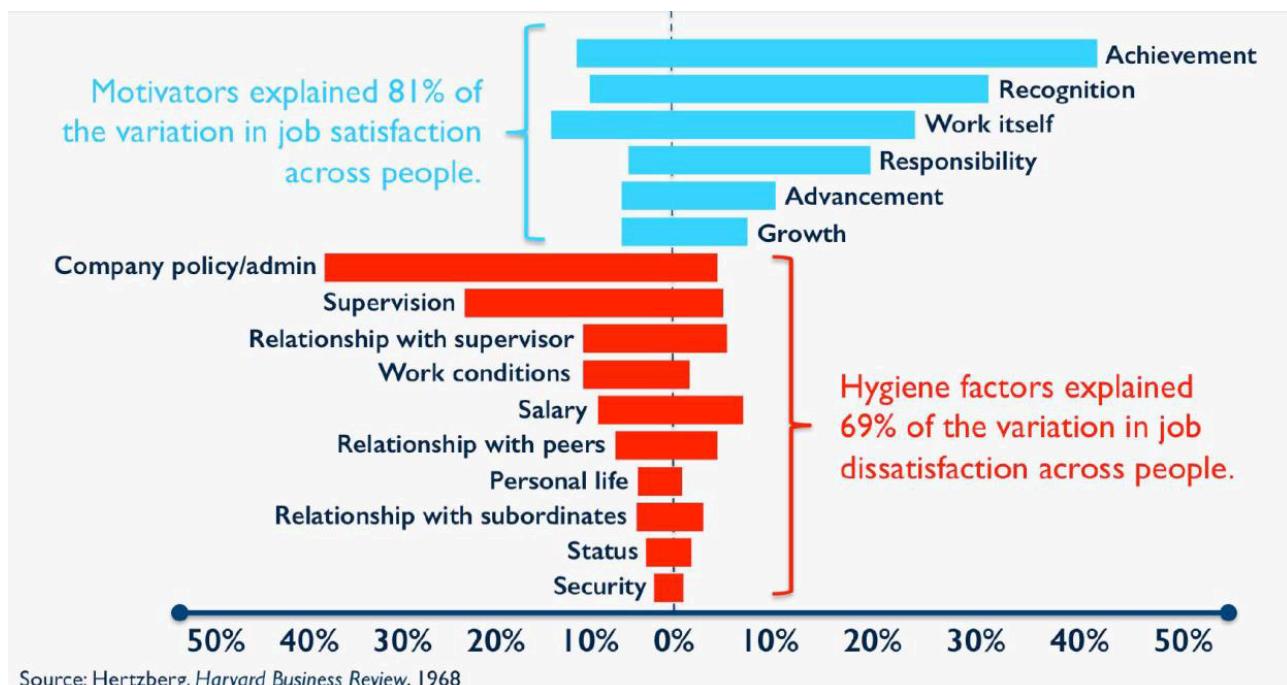
However, the research since the 1940s has shown that this hierarchy of needs is not as linear/hierarchical as Maslow expected. It has shown that e.g. for many people, belonging is more important than safety, or esteem is more important than belonging.

The purpose of this framework is not to create the that you have to satisfy the physical, then the safety, then the belonging. The take-away really is to understand that **people have a range of needs that span across these different categories**. E.g. Scott cares about belonging more than safety, so job security is not going to be the key motivating force for him, but it will motivate him if you create a sense of community and belonging.

As a manager, **you should be able to identify the needs of your team members and leverage them to improve the motivation**. What you need to do is assess your team members along this pyramid of needs to understand what do people value.

## Hygiene Factors vs Motivators

The Herzberg's so called two-factor model was originally published in the Harvard Business review back in 1968. His research has shown that **the factors that were causing satisfaction (motivators) are fundamentally DIFFERENT than the factors that were causing dissatisfaction (hygiene factors)**.



In order to motivate people, you first need to remove the dissatisfying (hygiene) factors.

Now take a moment, reflect on your own experiences in your team and think about the impact that the hygiene factors have had on you and other people relative to the impact of these motivating factors. Are you seeing something similar to what Herzberg found?

## Extrinsic vs Intrinsic

Extrinsic motivators:

- Money
- Badges
- Titles
- Points
- Fear of failure
- Competition
- ...

Intrinsic motivators:

- Autonomy
- Belonging
- Curiosity
- Love
- Learning
- Mastery
- Meaning
- ...

You should be aware of both of these groups, and balance between them.

In 2010, Murayama performed a research that has shown that emphasizing the extrinsic rewards for intrinsically interesting tasks can undermine the person's effort. During this research, besides observing people's effort and performance, they actually monitored their brain activity using MRI scans.

# Meaningful Work

A study has shown that the significance/relevance/meaning of person's work is the **NUMBER ONE** motivating factor. It is ahead of pay, ahead of relationships... *Does my work matter?*

How do we create meaning at work?

- Help the employees realize the **connection between their individual contribution and the overall contribution of the team/organization**. Make sure they know the answer to the question "How does my little task over here enable the organization to be successful?". See Setting Goals -> Vision.
- **Connect the employees with the end users.** Some examples:
  - Radiologists who were presented with a picture of the patient before reading their X ray scans improved the accuracy of their interpretations.
  - Assembly line workers at Volvo improved their performance after meeting people whose lives have been saved by Volvo automobiles when they were in accidents.
  - Blizzard has a display in their building, presenting a world map with dots representing active users.

# Motivation Traps

## #1: Assuming people are like us – “Social Projection”

People are more likely to assume others are like them when thinking about their own groups, teams or social categories.

## #2: Assuming extrinsic rewards have a linear relationship with happiness

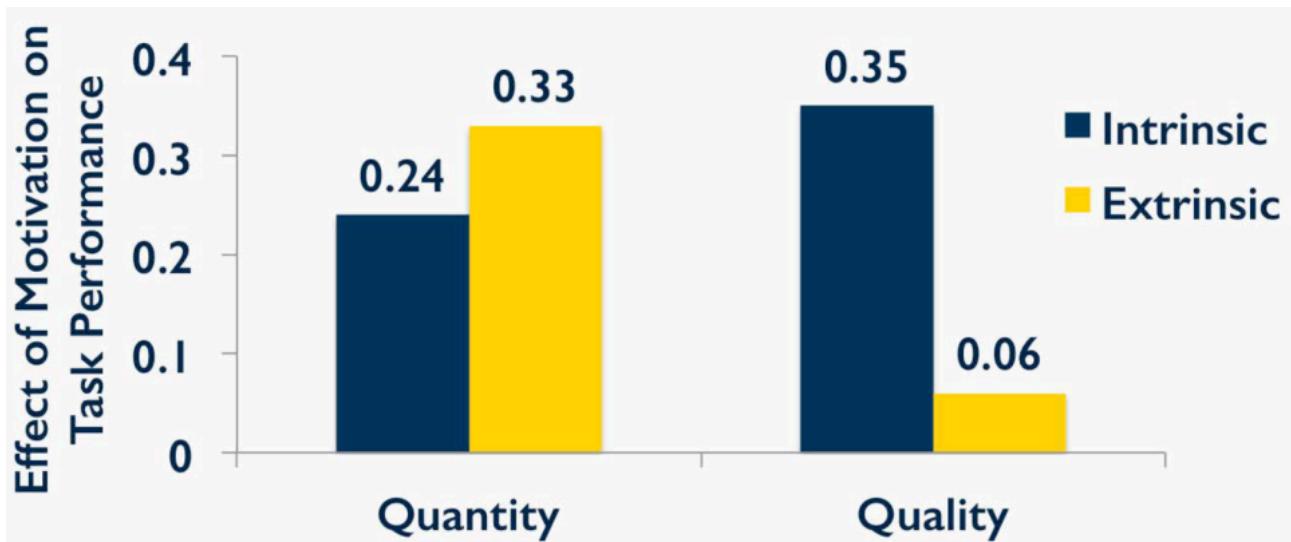
The happiness benefits of money – salary, bonuses, etc. – begin to diminish after \$70,000 to \$80,000 USD.

% impact of money on happiness				
Response	< \$20K	\$20K - \$50K	\$50K - \$90K	\$90K+
Not too happy	17.2	13.0	7.7	5.3
Pretty happy	60.5	56.8	50.3	51.8
Very happy	22.2	30.2	41.9	42.9

## #3: Not aligning rewards with desired outcomes

For quantity based tasks (e.g. assembly line workers), emphasize extrinsic rewards.

For quality based tasks, emphasize intrinsic rewards.



## #4: Ignoring social comparison and fairness concerns

When you are aware of the unique needs of different people, you might want to give different, customized rewards to different people, based on their needs (what they value). This is a useful approach, but you need to be careful that those different rewards are fair (aligned with contributions across people).

# Rewards

## Equity

What would you choose?

- A \$1,000 bonus, but it is the largest in your team OR
- A \$2,000 bonus, but it is the smallest in your team.

Business Week conducted a similar survey of about 2500 professionals in middle management. And what they found is that 59% of the respondents chose the smaller level of reward, as long as it was the largest in their team.

This result gives great insight into human behavior. To understand human motivation, it's not sufficient to attend to absolute level of rewards. We also need to consider relative level of rewards, because we socially compare to others. And that notion of social comparison, is the fundamental principle that underlies the idea of **equity**.

Take a look at this [video](#).

**Example:** In 2015, [Gravity Payments](#) CEO increased a minimum salary to \$70,000, which significantly reduced his own million-dollar pay package. This backlashed at him in the following way:

*“He gave raises to people who have the least skills and are the least equipped to do the job, and the ones who were taking on the most didn’t get much of a bump.”* – Financial Planner who left the company

*“Now the people who were just clocking in and out were making the same as me... It shackles high performers to less motivated team members.”* – Software Developer who left the company

Consequences of inequity:

- Burnout
- Stress
- Negative affect
- Coronary heart disease
- Absenteeism
- Theft at workplace
- ...

# Applying equity principles

## Attain congruence in perceptions of inputs

People can use a variety of inputs to construct equity ratios. These inputs can severely bias our perceptions of equity. Some of those inputs are:

- Education level: Some people might have a high level of education, but can be new to the firm. They might not be nearly as productive as someone who has a lower level of education, but knows the inner workings of the company.
- Years of experience: We've all seen resumes where people claim they have ten years of experience, but you start digging into this experience, and you realize that it's more like one year of experience ten times over, so the person was doing the same job, the same task for ten straight years.

## Make sure inputs are relevant and important for the organization

People often construct equity ratios using effort as an input simply because effort is more easily observable. In those cases, you need to make sure that you reorient the conversation from effort as an input to actual deliverables.

## Recognize the rewards people value

Apply the insights from *Engagement and Motivation* chapter.

## Communicate

It's really important to have lines of communication open, when you suspect that there could be temporary situations of inequity.

**Example:** Gerald Greenberg performed a study in a manufacturing facility where pay was temporarily cut by 15%. The rate of theft at workplace increased by 60% among workers who received an adequate explanation, while it increased by 160% among workers who did not receive an adequate explanation.

## Strive for equity in the long-term

It is probably futile effort to try to attain equity on a daily or monthly basis. For example:

- Asking an employee to lead and deliver on several projects simply because the projects that are coming into organization are in his area of expertise.
- We've just hired a group of new people and in addition to his daily responsibilities, we are asking an employee to train and mentor those new employees.

But make sure you attend to equity ratios in the long run by either adjusting rewards or e.g. giving extra help to your employees.

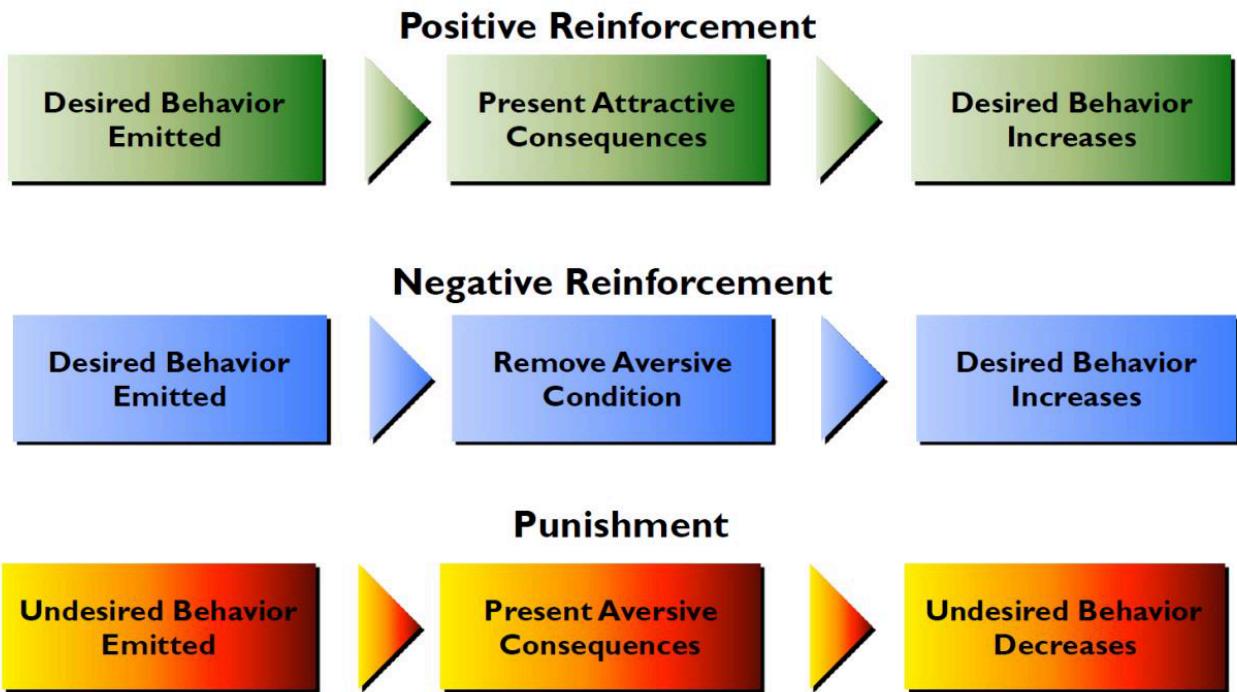
## The Folly of Rewarding A while Hoping for B

Expecting	Rewarding	Example
Long-term growth	Quarterly earnings	Oil companies reducing capital expenditure budgets.
Teamwork	Individual effort	Give out only individual bonuses.
Stretch goals	"Making the numbers"	
Total quality	"Don't stop the line"	
Innovative thinking and risk taking	Proven methods and minimizing mistakes	A single mistake for which you are blamed can offset many successes and result in your being labeled and limited in future assignments and promotions.
Candor; surfacing bad news early	Reporting good news; Agreeing with the boss	

# Types of Reinforcement

So far, we discussed the positive reinforcement (rewards). Now let's explore the other types of reinforcement::

- **positive reinforcement**
- **negative reinforcement**
- **punishment**



Here are some guidelines in terms of these types of reinforcement:

- **Emphasize positive reinforcement**
  - Generally the most effective way to motivate employees.
- **Be discretionary and careful when using punishment**
  - Can lead to low morale, turnover, and even sabotage.
  - Behavioral changes as a result of punishment may be unsustainable.
  - Tip #1: Eliminate undesired behavior.
    - E.g. firing an employee. Nobody is trying to change that employee's behavior anymore. That employee becomes a proverbial sacrificial lamb, but the idea is to send a very strong message to the rest of the organization, that such behavior is not going to be tolerated in the future.
  - Tip #2: Apply soon after the undesired behaviors and clearly communicate the reasons for it.

# Schedules of Reinforcement

**Thought:** Let's say your goal is to get your daughter to do her homework.

Which schedule of reinforcement would most effectively motivate your child to do her homework and keep doing her homework in the future?

- Giving your daughter a piece her favorite candy after every 20 minutes of studying
- Giving your daughter 3 pieces of her favorite candy after every 60 minutes of studying
- Giving your daughter 2 pieces of candy after the first 30 minutes of studying, no candy after the next 30 minutes of studying, and then 1 piece of candy after every 15 minutes of studying

Schedules of reinforcements can be divided into following categories:

- **Fixed schedules of reinforcement**
  - **Fixed interval**
    - Receiving a reward after a fixed time interval. (E.g. a paycheck at the end of every month)
  - **Fixed ratio**
    - Receiving a reward after a fixed number of responses. (E.g. getting paid after every 5 cars sold)
- **Variable schedules of reinforcement**
  - **Variable interval**
    - Receiving a reward after time intervals of different length (E.g. surprise inspection, a pop quiz...)
  - **Variable ratio**
    - The number of units produced to receive a reward varies. (E.g. probabilistic rewards)

The research has shown:

- **Ratio reinforcement schedules typically outperform interval reinforcement schedules.**
- **Variable reinforcement schedules typically outperform fixed schedules of reinforcement.**

Take a look at this [gambling addiction video](#). One of the reasons slot machines are so addictive is because they're based on the variable schedule of reinforcement – specifically variable ratio schedule of reinforcement.

# **Delegation**

**Empowerment:** Enabling other to do what they need to do, without your intervention.

# Delegation Guide

## 1. Determine What to Delegate

### Know what you want

- New managers sometimes start a delegation discussion with their employees while they are still in brainstorming mode.
- This is the main cause of delegation failure because employees will get confused about what you want.
- Be prepared and know exactly what you want to delegate before you delegate it.
- A good practice is to write out the task ahead of time to clarify your thoughts.

### Start with small tasks

- Delegate smaller (non-critical) tasks first that help you and your employee build trust over time
- Example:
  - First task: *Create a status report for a weekly meeting.*
  - Later task: *Deliver a training module for a company-wide webinar.*

### Avoid delegating sensitive tasks

- There are some tasks that you should never delegate, including:
  - People management or personal issues (e.g. performance, management, hiring, firing...)
  - Escalations that you need to take care of personally
  - Tasks that your manager asked you specifically to do
  - Activities that require access to confidential information

## 2. Determine Who to Delegate to

### Know your team's capabilities

- Put some thought into the skills and capabilities of your team members
- Take time into consideration - does an employee have the bandwidth to take on a task based on their current workload

### Look for leaders

- If “*know your team’s capabilities*” is not 100% clear (or if you have more than one candidate for the role) then look for natural leaders to take on the task
- Some employees are motivated to move to the next level and develop their skill set, so give them the opportunity to take on more tasks
- If you are unsure who on your team is naturally motivated, then you can simply ask for volunteers who would like to take on additional management responsibilities

### **3. Explain the Task Clearly**

#### **Set up a short meeting**

- This gives them a chance to absorb the task better and discuss it with you
- DO NOT just send an email or a text message

#### **Be direct and go slow**

- Explain the task being 100% clear and direct. Do not make any assumptions.
- Go slow. People need time to process information and don't want to feel dumb by asking you to repeat yourself
- Show a demonstration or sample of what you're looking for

#### **Verify understanding**

- Don't wait until the end of the task description to verify; instead, continuously ask questions such as:
  - "*Does this make sense?*"
  - "*This might have been too fast, shall I repeat it back to you?*"

## 4. Describe Goals, Not Actions

### Avoid being prescriptive

- Focus on the objectives, not the process (i.e. focus on the “what”, not the “how”)
- Let them “own” the task and learn better through their own approach
- Example:
  - Bad: *“Update this spreadsheet by cutting/pasting columns A through E, then moving them to between F and G.”*
  - Good: *“Update this spreadsheet and make sure all data is accurate.”*

### Confirm commitment to results

- Highlight the expected results and make sure your subordinate is committed and accountable to those goals
- Simply finish those sentences:
  - *“Your success means <end goal>. This assignment will <benefit the employee>.”*
- Example:
  - *“Your success means that you’ll send me a PowerPoint presentation that’s ready for me to share on the monthly call without having to double-check the financial information. This assignment will give you the chance to see the details of our business, and learn how they affect big decisions.”*
- End with: *“Does this sound reasonable?”* or *“Do you have any concerns?”* to clarify any confusion and confirm commitment.

### Set expectations about process

- Set expectations about the process upfront that you will give them feedback about two things:
  - Things that are going well
  - Things that can be improved
- This ensures that there won’t be any surprises and gives them permission to make mistakes and readjust.

## 5. Give Clear Timelines

### Be specific on deadlines

- Example:
  - Bad: “I need this in a few days”
  - Good: “I need this on Thursday, June 9 at 5pm US Eastern Time”
- You can also set a soft deadline (which is a bit before the actual deadline) if that will help you reduce any potential risks:
  - *“The hard deadline for this is January 11 by COB, but I’d like to have it done by Jan 7 at noon EST as a soft deadline because I want the chance to review it and make any changes with you before we submit.”*

### Schedule checkpoints

- Start out with more checkpoints initially so you can interject and correct things early on. Later on, checkpoints can be spread further apart, or even eliminated completely, as you build trust with your subordinate.

## 6. Describe Authority Levels

### Set clear limits

- Explain the limits of your subordinate's authority level clearly to avoid potential repercussions later on
- Examples:
  - Not quite clear: "*The budget for this project is \$4,700.*"
  - Clear: "*The budget for this project is \$4,700. You are free to use this money at your discretion for reasonable purchases without asking me first. However, when you use up the first \$2,000, I'd like to do a quick review of the expenses with you before the rest of the budget is used up.*"

### Define a guidance process

- When authority levels are not very clear, define a guidance process for your subordinate
- The objective is to err on the side of caution and have them ask you first before making a decision. However, to avoid constant interruptions, have them follow a guidance process to think through options before they reach out. Ask them to follow these steps:
  - Think through potential options
  - Come up with a recommendation
  - Explain why that recommendation is the best
- Example: "*When you're deciding on which application we should use for this project, and you're not comfortable making a decision yourself, send me a short list of applications, your recommendation of what you thinking we should use, and why you think that's the best option.*"

## **7. Put it in Writing**

### **Don't rely on verbal requests**

- Always follow up in writing
- People naturally forget details
- It also gives your subordinate a reference point to go back and review it

### **Use template**

- It will help you save time and be consistent
- You can find a template in the next section

## 8. Check In

### **Do not disappear**

- Make sure you are there for them, especially in the early stages
- Avoid slipping into “seagull management” where you only show up when things are not going well.

### **Avoid micromanaging**

- It hurts both you and your subordinate
- If there is a lack of skill set, then address it by coaching them or providing additional training

## 9. Give Meaningful Feedback

### Share two types of feedback

- During your scheduled checkpoints, and after the task is complete, share two types of feedback:
  - What went well
  - What can be improved
- Example: "*You did a great job at staying within the budget, informing me of things at the right time by following the process, and getting the main objective of the task complete by the deadline. I think what can be improved upon going forward is more attention to detail on the verbiage of the report. There were a few typos and basic grammar mistakes that could have been avoided if you proofread it before sending it to me.*"

### Allow for mistakes

- If you face any issues (and you will), be patient and don't get too frustrated
- Don't rush to judgment and focus on solving the problem with them
- Give feedback that allows for mistakes, and ask non-probing questions such as:
  - "How do you think we can solve this?"
  - "How do we avoid this from happening going forward?"
- Keep in mind that this is a process, and that you are in it for long-term rewards, not short-term gains.

# Delegation Conversation Template

## Scenario:

A leading industry magazine has asked that your team contributes an article to its quarterly publication for the next 8 issues (2 years). The first will be published three months from today.

You want to assign this project to one of your team members to manage and oversee the whole team's contribution.

## Delegation questions:

- 1. What needs to happen?** We need to contribute to a leading industry magazine, by writing articles for them.
- 2. Who must do it?** A person who should do this must have a good level of organizational skills, and that is why I think you would be the best person for this, considering that you have a lot of experience.
- 3. To whom must it be done/delivered?** To the magazine's representative.
- 4. By when does it need to be completed?**
- 5. Are there exciting policies, processes or Standard Operating Procedures that need to be followed (or created)?**
- 6. What Resources/Authority/Budget is available or needed?**
- 7. What are the quality specifications required?**
- 8. How will success be defined/measured?**
- 9. What are the milestone/check-in points?**
- 10. What is the first/next step?**

# Performance Management

**Performance management** is a continuous process of identifying, measuring, and developing the performance of individuals and teams while aligning performance with the strategic goals of the organization.

It's nice to have a great strategy, but you need to execute it. And this is where your people become a critical piece of the puzzle because a **strategy is carried out by people**. The key question here is do **your people have the right skills and competencies to execute the strategy?** And having a well designed, robust performance management system can help you give a positive response to that question, because your system will help you evaluate, reward, and develop the skills and competencies, that would enable your people to carry out that strategy.

The benefits of structured performance management:

- Increased motivation and engagement
- Enhanced learning and development
- Insight into talent's competencies
- Clarity regarding organizational goals
- Alignment of strategy and talent

The dangers of poor performance management:

- Disengagement, dissatisfaction and turnover
- Damaged relationships
- Perceptions of inequity
- Risk of litigation (wrongful termination and discrimination lawsuits)
- Undermines the strategy execution

# Measuring Results and Behaviors

Performance management is used to measure:

- **outcomes (what)**
- **behaviors (how)**

So, you shouldn't only focus on hitting the numbers, but also on whether those numbers were hit in a way that supports and reinforces company culture.

**Hint:** In the beginning of the year, start a text file on all your direct reports and write down their key behaviors and outcomes following the completion of major tasks and projects. Even if your company does performance appraisals once a year, don't wait until the end of the year to come up with a list of those behaviors and outcomes.

Performance management forms should have the following components:

- **Areas**
  - Example list of areas:
    - Project management
    - Customer service
    - Production support
    - Teamwork
    - Communication skills
- **Scale**
  - Example scale
    - 1 to 5
- **Vignettes (examples)**
  - Examples of behaviors/outcomes for each rating on the scale.
- **Overall score**
  - Can be calculated in the following ways:
    - Simple average
    - Weighted average
    - Manager's decision
    - ...
  - Determines a likelihood of promotions, raises, bonuses...

# Absolute vs Comparative Rating

There are two fundamentally different approaches to assigning ratings to your employees:

- **Absolute**: You rate the employees according to some objective expectations.
- **Comparative**: You rate the employees by comparing them to their peers.

## Comparative Rating

Some typical forms of comparative rating are:

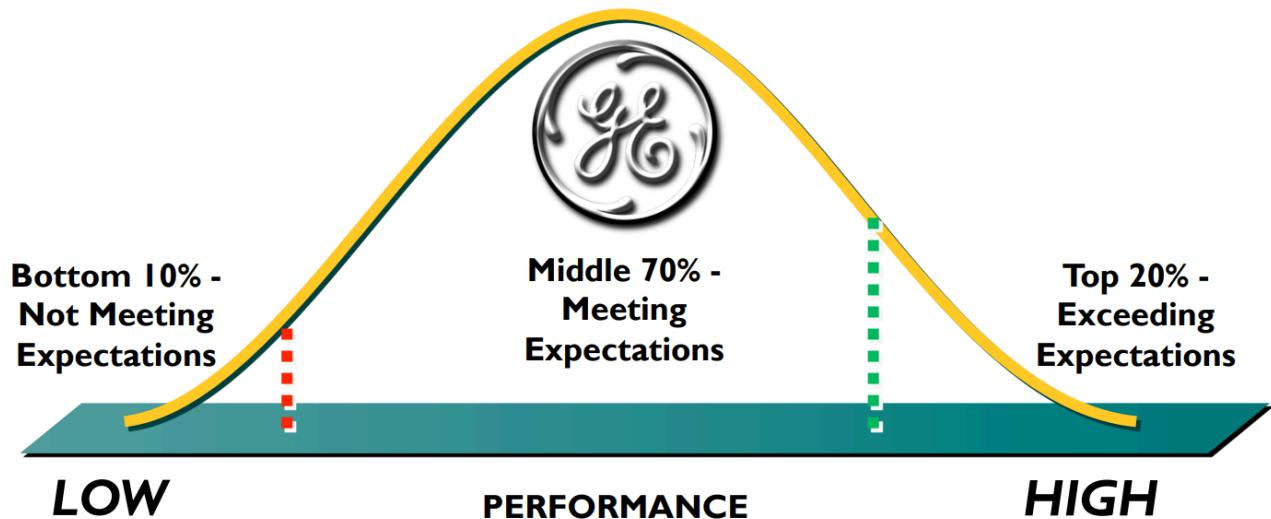
- **Forced distribution** (force performance curve)
- **Forced peer ranking**

### Forced Distribution

Recall that in school you had some classes that were graded on a curve where say, no more than 15% of students could get an excellent score.

In a forced distribution approach, managers assign ratings to employees in accordance with pre-specified performance distribution percentages.

Here is an example of GE's forced distribution:



### Forced Peer Ranking

In a forced peer ranking approach, managers rank orders their employees from the best to the worst.

A variant of a forced peer ranking (or a way to calculate the ranking) is a system of pairwise comparisons, where we compare each teammate's performance to the performance of every other teammate. Here we have  $(n-1)/2$  comparisons, and then you simply count the number of wins for each employee and sort based on that.

## **Which Ranking Approach is Better?**

### **Comparative rating advantages:**

- People tend to perform better when they know they are going to be compared to others
  - A study has shown that a group working under a forced distribution performed 8% better than a group working under absolute rating system.
- Top performers are clearly differentiated
  - In the absence of a forced distribution, managers assign more lenient and less differentiated ratings.
- Rankings can provide you more context
  - E.g. you have a high turnover, but it turns out that is in the bottom 20%.
  - E.g. your employees complain a lot (parking space, chairs...), but it turns out that a high percentage of the ones who complain comes from the bottom 20%.

### **Comparative rating disadvantages:**

- Can reduce the amount of collaboration (zero-sum game)
  - Or even encourage sabotage
- Can perturb the interview process
  - Why would an employee want to hire someone who is going to be better than them?
- Employees more likely to take extreme risks
- Perceptions of inequity
- Low morale

# 360-Degree Feedback

**360-degree** feedback is a systematic feedback on your performance, behaviors, and/or competencies collected from you and a number of different types of people who interact with you at workplace.

Typical sources of 360-degree feedback are:

- supervisors
- peers
- subordinates
- self
- customers
- suppliers

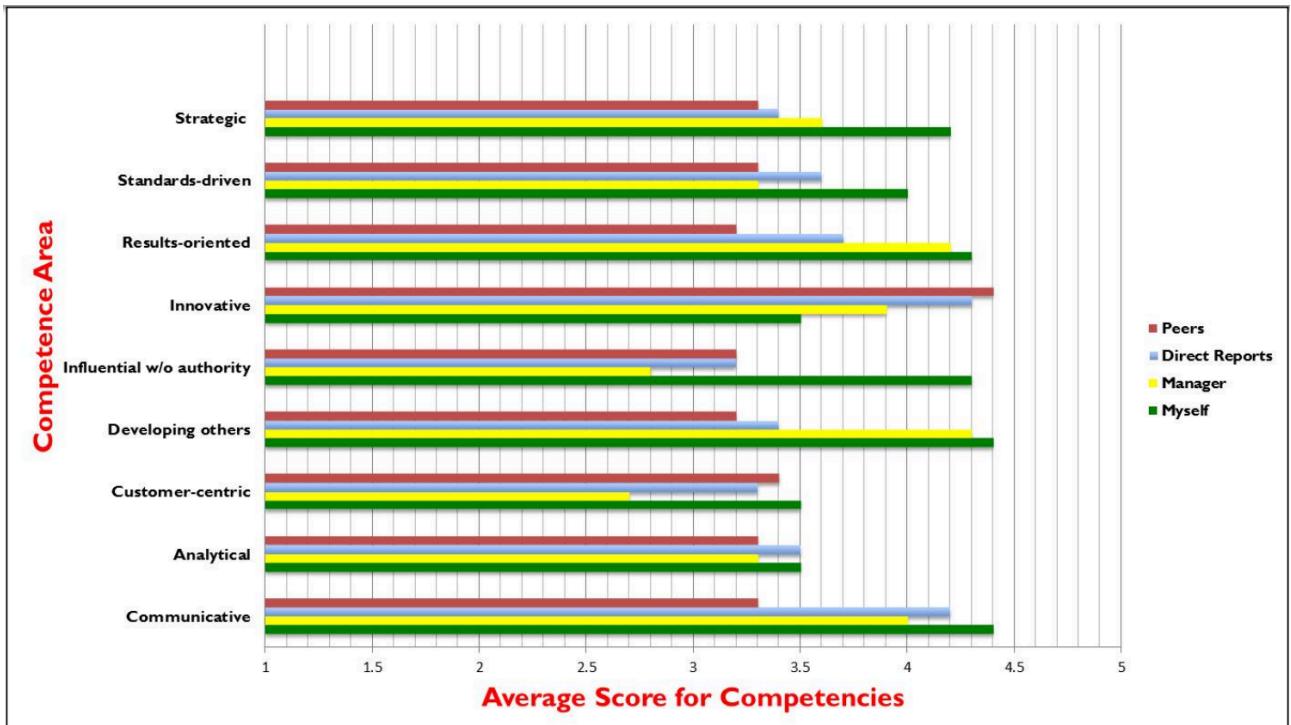
## Benefits of 360-degree feedback:

- Offers new, diverse perspectives on one's skills behaviors, and performance.
- Provides a greater number of feedback data points.
- Offers feedback that might not be typically shared.
- Illuminates hidden strengths and developmental opportunities.

## How 360-degree feedback works:

1. Develop a questionnaire that ask raters to measure specific performance and/or skills of a given employee.
2. Ask the employee to provide self-ratings and collect confidential ratings by other people.
3. Compile results and debrief with the employee.
4. Follow up on development plan.

A 360-degree feedback report, usually looks something like this:



To analyze the 360-degree feedback data, it may be useful to categorize those results like this:



For a report represented in our graph, we have the following:

- Strengths:
  - Communication

- Developmental areas:
  - Customer centricity
  - Analytical skills
- Unexpected results:
  - Influencing without authority
  - Developing others
- Hidden strengths:
  - Innovativeness

## 360-Degree Feedback in Practice

There are two central uses of 360-degree feedback:

- Performance appraisals
  - A part of your formal performance evaluation system.
  - Used to determine the likelihood of promotions and raises.
- Developmental
  - Used to improve your performance.
  - Not a part of your formal performance evaluation system.

**Do not rely only on 360-degree feedback for evaluations.** You can use it as a part of your performance evaluation system, but not exclusively.

### Challenges of 360-degree feedback:

- Inexperienced raters
- Raters not held accountable for the quality of their ratings
- Raters can miscode (or misunderstand) the scale or the target of evaluation
- Discrepancies in evaluations
- Omitting key coworkers
- Low participation rates

### Best practices in 360-degree feedback:

- **Alignment:** Measure skills and competencies relevant to the success of the individual and organization.
- **Continuity:** Collect feedback continuously (not once a year).
- **Validation:** Carefully select and validate select scales.
- **Reliability:** Groups of 9 subordinates, 8 peers and 4 managers produce good reliabilities on 5-point scales.

To evaluate the **quality (consistency)** of the 360-degree feedback, you can use intraclass correlation coefficient. For this kind of feedback, the coefficient should be at least 0.49.

## **Performance Management Process Checklist**

When creating (or evaluating) your performance management system, you should consider the following questions:

- Are you measuring the right outcomes and behaviors?
- Does the process produce reliable results among raters?
- Can the process differentiate between low and high performers?
- Are there clear reinforcements for high and low performers?
- Do both high and low performers change their behavior in response to evaluation and feedback?
- What are the risks of your performance management system?

# Providing Effective Feedback

## Feedback Foundations

**The neuroscience of feedback:** When the human brain perceives something as a threat, it switches our body to a fight-or-flight mode and shuts down some other parts of our body in order to protect us. In these situations we become defensive, angry, driven by adrenaline... which makes it impossible for us to digest the feedback in a constructive way. When providing feedback, we need to make sure that a person does NOT feel threatened and that they know that we have their best interest in mind.

**Trust is a must** - The employee needs to trust you have their best interest in mind

**Don't make it a win-lose situation.** In these situations, the person will react in one of the two ways (or both):

- Shut off and wait for it to be over
- Fight back in order to win

Many of the greatest CEOs have a saying that they failed their way to the top. You, as a manager, need to **help your team adopt a growth mindset**, and get rid of a fixed mindset.

Fixed mindset	Growth mindset
Doing good	Getting better
Proving to others they can do a good job.	Competing with themselves.
"I don't know how to do this."	"I don't know how to do this yet."

**Can they quote you on your feedback to them? Would it be OK if they said to someone else "*He said I did a good job at ...*"**

**Don't say something you don't believe in.**

**Know the difference between the constructive and non-constructive feedback.**

Not Constructive	Constructive
Praise	Positive feedback
Criticism	Negative feedback

# Why managers avoid providing negative feedback?

Managers hate providing negative feedback to employees. It is the number one thing managers fear the most. And that is because of the following perceptions:

**Perception: Feedback will hurt the person.**

**Reality:** You will hurt them even more if you don't provide them the feedback. You are thinking it anyway, so how could it possibly help not to share with them what you see?

**Perception: The person will be unpleasantly surprised.**

**Reality:** Only 11% of employees are surprised by negative feedback. Most of the time they are relieved and happy to be able to put an action plan together to fix it.

**Perception: The person can't handle the truth.**

**Reality:** Not only can they handle it, they are begging for it. Here is how different generations are comfortable with receiving feedback:

- Boomers: Would like to get it once a year.
- Gen X: Would like to get it once a week.
- Millennials: Would like to get it on demand in real time.

Younger generations are growing up with social media, so they are quite used to receiving open real-time feedback.

**Perception: The person is getting enough feedback already.**

**Reality:**

- 60% of employees say they have not received any useful feedback in the past six months.
- 70% of employees say their career performance would have grown immeasurably if they had received feedback.

## Employee Bias

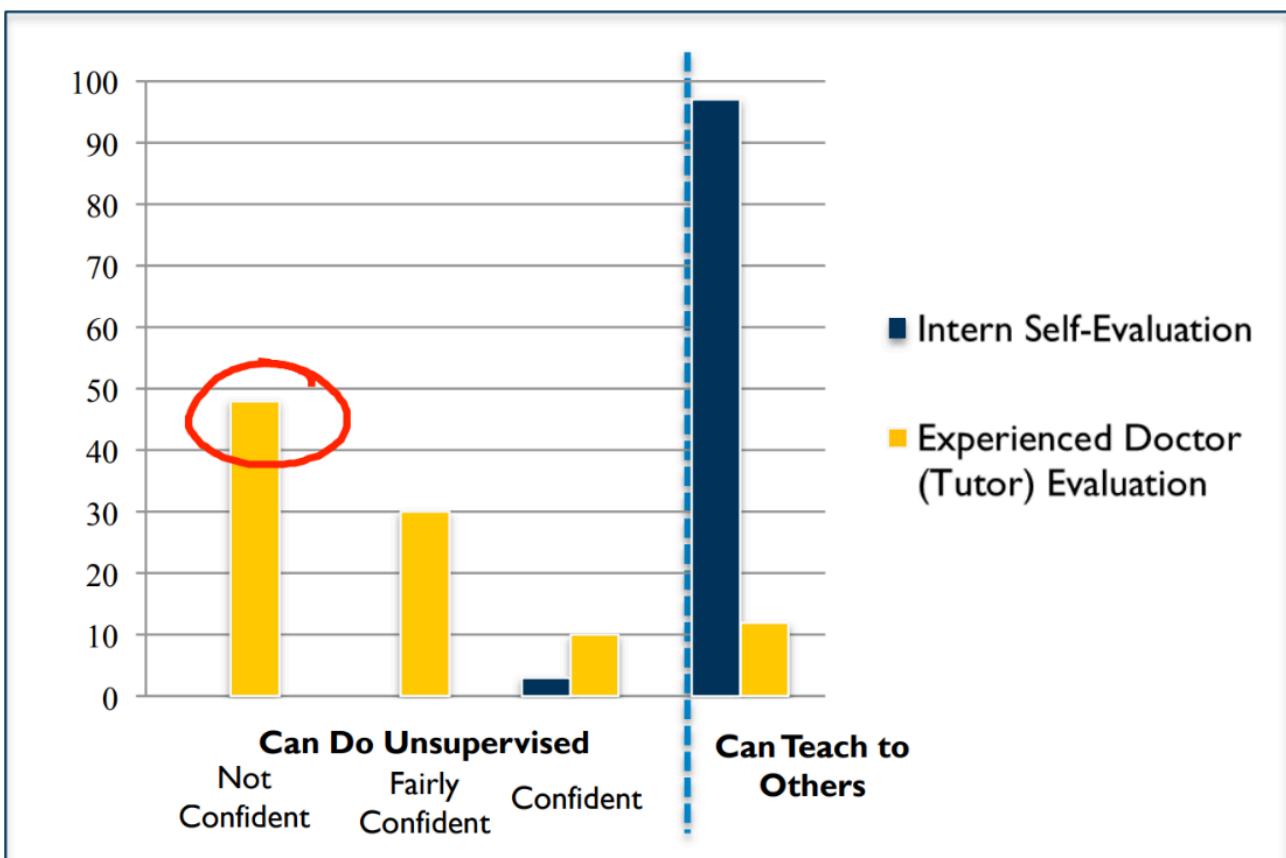
People tend to have inflated perceptions of their skills and performance.

In classic studies, scholars asked people how good of a driver are you? And more than 90% of respondents, said they're an above average driver.

Similar studies were replicated with computer programmers, who also believe that more than 90 percent of them, are above average.

So we tend to be overly optimistic about how good we are. But there is a further complication to this effect – **we are especially confident in our superior skills and performance if we are less knowledgeable in a given area**. This is known as **Dunning-Kruger Effect**. Why would this be the case? It turns out that if we're less knowledgeable in a given area, it becomes harder for us to anticipate a variety of nuances, risks, and contingencies, that can accompany different projects and tasks, and, as a result, it's difficult for us to evaluate our skill set, in terms of, both anticipating and dealing with those contingencies.

In a study published in the Journal of Medical Education, Les Bernstein colleagues asked first year interns to evaluate their skill of venipuncture. And in response to this question nearly 100% of first year interns said that they're so good at venipuncture, they can teach it to others. And then they asked experienced doctors watch these students perform venipuncture and evaluate their skill set, which resulted in only 10% of the doctors agreeing with the interns. In nearly 50% of the cases doctors believed these interns need supervision themselves when performing that procedure.



# Common Feedback Errors

## Cognitive bias - Illusion of transparency

We tend to believe we're more transparent than we really are.

In an experiment designed by Elizabeth Newton, she divided people in two groups and ask them to do the following:

- Group #1: Tap out a familiar song.
- Group #2: Listen and guess the song.

Then she asked the tappers as to what percentage of the listeners would guess the song correctly.

- Their answer: 50%
- Actual percentage of guesses: 2.5%

## Cognitive bias - Self-fulfilling prophecy

Our expectations can become self-fulfilling. If we believe an employee is skilled, we are much more likely to:

- trust them with developmental opportunities
- make external attributions when they fail
- forgive their transgressions
- devote more energy to them

The opposite also stands, when we don't believe an employee is skilled.

Rosenthal and Jacobson performed a study where they went into schools, approached teachers and gave them a list of 20% students who (allegedly based on some test) show extraordinary potential for academic and intellectual growth.

At the end of the year, the students labeled as intelligent performed significantly better than the others. The thing is, these students were chosen at random. They actually performed better than others because they have a "special treatment" by the teachers because the teachers were biased.

This study was also performed on mechanics, pressers, welders... and showed similar results.

*"Treat a man as he is, he will remain so. Treat a man the way he can be and ought to be, and he will become as he can be and should be."* - Ralph Waldo Emerson

## Need to be liked - Leniency error

Leniency error is a situation when some raters have a tendency to inflate ratings. We want to be liked and we are reluctant to deliver bad news, so we are going to inflate everybody's ratings.

We tend to give everybody high scores because, in this case, we are happy (don't have to deliver bad news), employee is happy because (receiving only good news), and we often end up with a very happy, and a very dysfunctional team.

This error might create perceptions of inequity where top performers don't feel adequately differentiated from low performers.

### **Lack of preparation**

For an effective performance review, both should have a full record of the employee's activities. If you lack those records, research shows you will base your evaluations on the most recent or salient events, which are more readily retrievable from memory. The odds of such an evaluation being comprehensive and unbiased are quite low.

### **Availability error**

Most of the people are afraid of flying. Here are some odds of dying in different situations:

- Flying – 1:80115
- Excessive heat – 1:6745
- Drowning – 1:1113
- Falling – 1:144
- Car accident - 1:112

But even though plane crashes are rare events, they are so heavily broadcasted by the media, that they are made very salient, very vivid in our memory.

In making judgements and decisions, we tend to overemphasize information that is readily available, recently exposed, vivid, easily retrievable from memory. Thus, when doing performance evaluations what we tend to emphasize is most recent meetings, interactions, projects, and assignments.

To mitigate the availability error, we need to have a systematic record of employee's performance throughout the whole year.

### **Central tendency error**

We tend to rely on the middle range of the scale and avoid the extremes. We play it safe which results in our scores being clustered in the middle.

Managers might be reluctant to give really high scores because they might feel that that communicates implicit promises to the employee (with respect to their future career progression).

Managers might be reluctant to give really low scores because they don't like delivering bad news (leniency error). And it also usually comes with extra paperwork (escalation of those cases, developmental plans...)

This error also might create perceptions of inequity where top performers don't feel adequately differentiated from low performers.

## **Attribution error**

In evaluating others' performance, we tend to attribute employee's poor performance to their internal characteristics. "You fail because you're lazy, incompetent, not skilled.". So we underestimate the effect of situational constraints, and that creates at least two problems:

- We might end up assigning needlessly stringent ratings to employees.
- Our intervention efforts can fail because we're not addressing the root cause of the problem, we're not addressing the situational constraints, lack of resources, support from a manager, support from the teammates...

## **Sample size error**

When we are trying to compare an employee with three years of experience at our company to somebody else with three months of experience at our company these are not exactly comparable cases.

Small sample sizes, in terms of performance data can lead us to make mistakes on the side of the extremes.

## **Halo Error**

The tendency to not distinguish between different dimensions of performance to be evaluated. In other words, we tend to assign ratings based on our overall impression of a given employee.

E.g. if an employee has a perfect attendance record, the rater will also tend to give them high ratings for productivity and efficiency.

## **Feedback sandwich**

Wrap the negative feedback within positive things:

- Say something nice, then say the actual negative feedback, then say something nice again

## **Jumping the gun**

Giving feedback on something you haven't even witnessed:

- "*Hey, I heard that presentation really didn't go well.*"

## **The trap**

Ask the person what they think before we share our own point of view. In this case, the person feels trapped.

## **Feedback dump**

Instead of having one focus area, we've collected a whole bunch that we are going to dump on the person all at one time.

Continuous feedback prevents this.

### **Swoop and poop**

When we may have the courage to give the feedback, but we do not stick around for the plan.

We just say "*Hey, you need to up your game.*" and off we go.

# The Language of Feedback

## Toxic words to avoid:

- “*Don’t*”
- “*Can’t*”
- “*Shouldn’t*”
- “*You need to...*”
- “*Here is what I would do*”

Instead of saying	Say
“ <i>You need to do a better job in your presentations.</i> ”	“ <i>I’d love to work with you on becoming the best presenter you can be.</i> ”
“ <i>You don’t do a good job at leading meetings.</i> ”	“ <i>Let’s see if we can find a way to have these meetings run even better.</i> ”
“ <i>You lack strategic thinking.</i> ”	“ <i>I am struggling to understand your plan.</i> ”

People are motivated and committed to their work when they feel respected and know that you and others value their efforts. Try to **maintain** the person’s self-esteem when providing negative feedback, and to **enhance** the person’s self-esteem when providing positive feedback.

“*The team needs you to not skip any more meetings. Your insights and ideas are important to keeping the project on track.*” (maintain)

“*Thanks for contacting vendors directly. That allowed us to finish the proposal on time.*” (enhance)

# Feedback Conversation Framework

## 1. Prepare

- Gather the data (observations, evidence). Don't do it from your memory, or based on your opinion

## 3. Set the field

- Let them know you will give them a feedback
- Trust is a must - make sure they don't feel threatened and that they know that we have their best interest in mind.
- Be clear on the "*Why?*". What is the desired outcome of this feedback.

## 4. Express your observations

- Be specific, objective, evidence based
- Focus on behaviors and outcomes, not on personality
- Don't jump to conclusions, make zero assumptions
- Don't say something you don't believe in. Always imagine that they will quote you on what you said.

## 5. Explain the **impact** on the common goal

- Provide an answer to a hypothetical question "*Why should I care? What's in it for me?*"

## 6. Root cause analysis

- Let them do most of it. Don't jump to conclusions.
- It is a two-way conversation

## 7. Confirm understanding

- Avoid illusion of transparency

## 8. Action plan

- Create a development plan together with them.

## 9. Follow up

- With a positive reinforcement when seeing desired changes.

# Continuous Feedback

Providing feedback should be a continuous process. You should not wait for a performance evaluation (which happens once or twice a year) to give someone feedback. **A performance evaluation should be just a restatement of feedback you've been receiving all year long.**

It is your obligation to provide your employees with the feedback in a timely manner. Imagine a situation where you notice that one of your employees is underperforming. If you wait 6 months for the next performance evaluation, this has the following impact:

- You let the negative impact of underperforming affect the company for 6 months
- You don't give the employee chance to improve it
  - So now they might end up without a raise

**Feedback should be a two-way street.** It is also your responsibility to seek the feedback if you haven't received one (or if it was not specific enough).

# **Developing and Coaching**

TODO:

- [Coursera] Managing Talent -> Developing and Coaching Your People
- Core of People Management -> Coaching
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