
Demand Better Results – And Get Them

by Robert H. Schaffer



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HBR CLASSIC

Managers can break through the barriers that keep their performance expectations too low.

Demand Better Results – And Get Them

by Robert H. Schaffer

One of the most dramatic, large-scale productivity improvements I am familiar with occurred in a regulated public utility – an industry not noted for such performance breakthroughs. In the early 1960s, this company's productivity was about average among 20 similar companies in North America, as both work load and work force were rapidly rising. In 1966, the trend shifted: the work load continued to rise, but the number of employees began to drop. By 1968, the company's productivity ranked among the best in its industry. The difference between average and best performance was worth savings of more than \$40 million a year – well over one-third of its net income at that time.

What produced this gain? Neither new technology nor labor-saving machinery was a significant factor. No significant change in management took place. The company was not reorganized. Nor were programs incorporating management by objectives, organizational development, mathematical modeling, or management information systems responsible for the shift. The key to the turnaround was a decision by the principal operating officer (with backing from the chief executive) that the company must and could make substantial productivity gains. Naturally, many supportive programs and activities were necessary to translate this determination into results. These activities, however, would have produced little if a clear demand for improved

performance had not been placed on the company's management team.

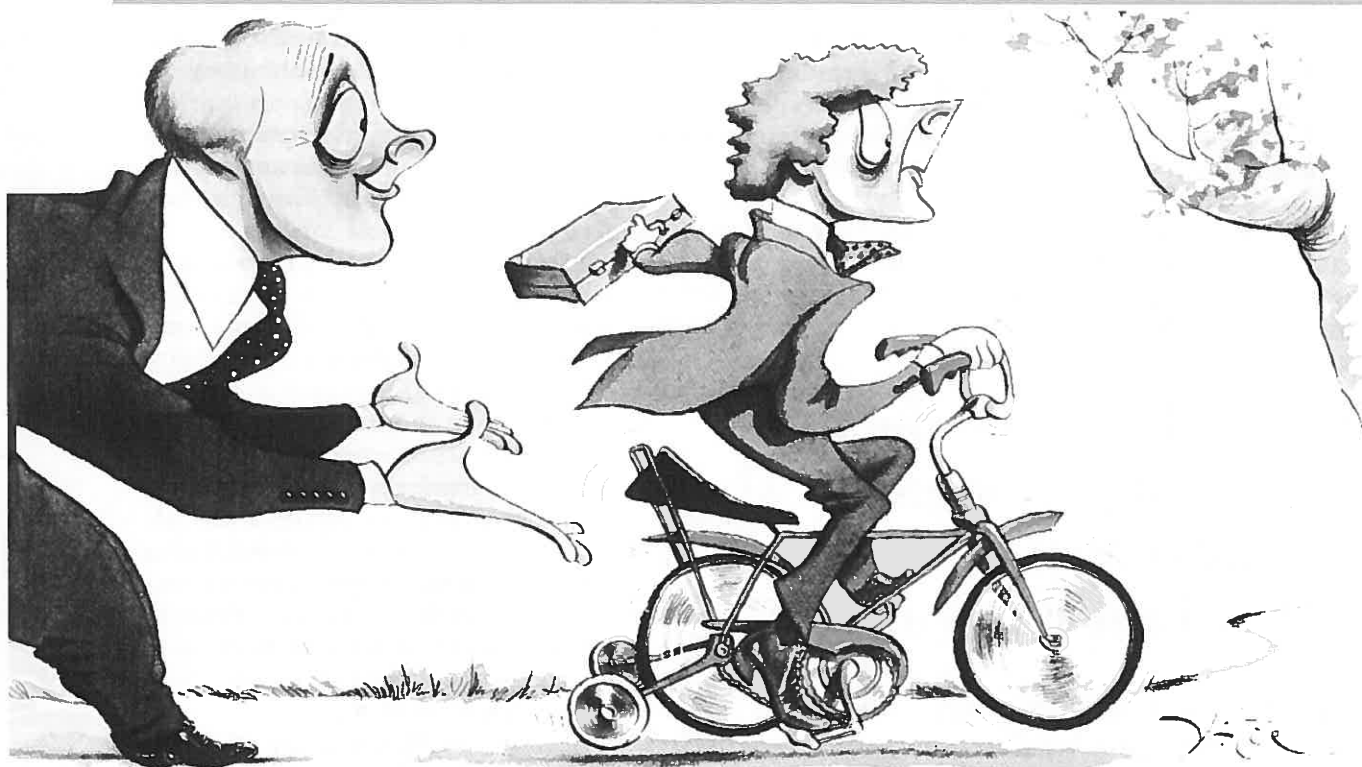
Most organizations have the potential for as great – or greater – gains. Very few, however, ever realize them. Few managers possess the capacity – or feel compelled – to establish high performance-improvement expectations in ways that elicit results. Indeed, the capacity for such demand making could be the most universally underdeveloped management skill.

Why Demands Aren't Made

Pushing for major gains can appear very risky to managers, and these perceived risks exert tremendous inhibition on performance expectations. If the newly installed manager asserts that significant gains are possible, he may threaten his predecessor and current boss – and thus arouse their antagonism – by implying that they had settled for less.

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Too much support and understanding can keep expectations – and performance – unnecessarily low.

Even if he has been in the job for a while, he subjects himself to the same estrangement.

Great demands increase the risk of resistance from subordinates and of the embarrassment of failing to reach ambitious goals. Managers who set unusually high demands may be challenged by others. They must therefore be sure of their facts and clear about directions. The struggle to upgrade performance may expose their uncertainties, weaknesses, and inadequate knowledge. More modest expectations reduce all these risks.

In addition, establishing well-defined and unequivocal expectations for superior performance creates the worry that the failure of subordinates to produce will require drastic action. Musing out loud about a long-needed productivity improvement effort, the vice president of a manufacturing operation asked, "What would happen if we set specific targets and my people didn't meet them? I'd have to do something – maybe let some of them go. Then I'd have to bring in people I trusted even less." Before even determining whether he could create an effective strategy, this man was paralyzed by the anticipated consequences of failure.

The fear of rejection is also a powerful motivator. Asking subordinates to do much more than they assert they can do runs the risk, at least in a manager's mind, of earning their resentment, if not their dislike. Many managers have been only too eager to

adopt the model of the manager portrayed by the human relations movements of the 1950s and 1960s – the loving, understanding, and supportive father figure. The model of the stern, demanding manager was portrayed as a villain.

Although many exponents of human relations did emphasize the importance of high expectations and tough goals, managers frequently overlooked those parts of the message. They saw that high expectations for performance could lead to psychological rejection by subordinates. The prevailing opinion was that by adopting the right techniques, managers could avoid confronting subordinates on performance expectations and asking them to produce much more than the managers estimated they were likely to give anyhow.

Are managers conscious of the discrepancy between the performance they are requiring and what might be possible? To an extent, they are. Most sense that their organizations could achieve more, but their vision is obstructed. To avoid the uneasiness and guilt brought on by too clear a vision of performance gaps, managers unconsciously employ a variety of psychological mechanisms for obstructing the truth.

Evasion through rationalization. Managers may escape having to demand better performance by convincing themselves that they have done all they can to establish expectations. For instance, they

may claim that everyone already knows what must be accomplished. When asked whether they have made the goals clear to their people, these managers respond with a variation of "If they don't know what the goals of this outfit are by now, they don't belong in their jobs."

Sincere in their belief that their subordinates are doing their best, managers frequently look for substandard performance elsewhere. Do the following statements sound familiar?

Managers look elsewhere for substandard performance when they believe that their people are doing the best they can.

"We can reduce back orders, but you're going to have to pay for plenty of overtime."

"If you want us to cut inventories any further, be prepared for delayed shipments."

"Ever since they trimmed our maintenance budget, we haven't been able to keep this plant operating properly."

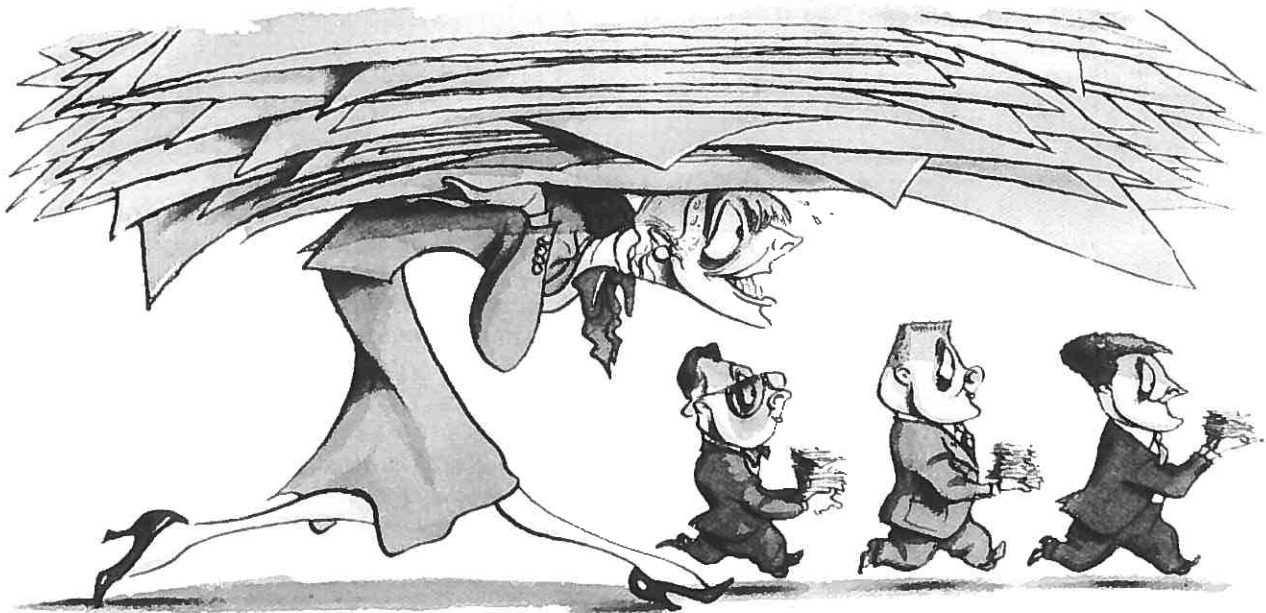
Performance improvements always seem to call for an expansion of resources or an increase in authority. Overlooking the possibility of obtaining greater yields from available resources, managers

often fail to impose greater demands and expectations on their employees. And when managers do try to demand more, their subordinates are quick to point out that they are doing all that can be done. Thus all levels of management may share the illusion of operating at the outer limit when, in fact, they are far from it.

To avoid having to impose new requirements on subordinates, a manager may decide to take on the job herself. She reassures herself that her people are already overloaded or that they lack some qualification that she possesses. At the other extreme is the manager who covers up his reluctance to make demands with toughness, gruffness, or arbitrariness. He may threaten or needle subordinates without actually specifying requirements and deadlines for results. In the folklore of management, such toughness of manner is equated with a preoccupation with achievement.

Reliance on procedures. Managers can avoid the necessity of demand making by putting their chips on a variety of management programs, procedures, and innovations that they hope will produce better results. But while such mechanisms may help an organization respond to demands, they are no substitute for good management.

For example, a manager may try an incentive system aimed at seducing subordinates into better performance through the promise of "goodies." Many



To avoid asking employees to do more, a manager may take on the extra work herself.

top officers are perpetually preoccupied with new kinds of salary, profit-sharing, and stock-option plans and with promotions, titles, and other so-called incentives. Management assumes that if the right carrots are held out, managers and employees will run like rabbits.

Infusions of new managerial technology also may appear to be the key to performance improvements. Management will install information systems, mathematical planning models, industrial engineering studies, training programs, or any of dozens of other programs offered by technical staff or outside consultants. Top management may even reorganize the company – or parts of it. Perhaps convinced of the magic in their medicines, even the best-trained staff technicians and management consultants become the unwitting coconspirators of managers who fail to establish higher performance requirements for subordinates. In one well-known international company, an internal consulting group put together a mathematical planning model to maximize corporate profits in interdivisional negotiations. But the president used a flimsy excuse to escape from the struggle of requiring his division heads to operate within the framework of the models.

Attacks that skirt the target. A manager may set tough goals and insist they be achieved – and yet fail to produce a sense of accountability in subordinates. For example, managers often define even significant goals in vague or general terms that make accountability impossible. The R&D director is told that she “must get more new products out this year”; the personnel director hears that “turnover must be reduced”; management at a transportation company insists that “safety is our number one objective.” When reporting time comes, who can say whether these objectives have been met?

Similarly, a manager may establish goals but insist that subordinates can't be held accountable because they lack the authority to get the job done. The case of a petrochemical plant whose product quality was well below par illustrates this point. Quality depended on how well a number of interdependent departments processed components. Top management charged department heads to improve operations and monitored these activities, but it failed to hold any individuals responsible for the quality of the end product on the grounds that none of them was in sufficient control of all the factors. The quality improvements failed to meet expectations.

Sometimes, when pressed by superiors, a manager will establish expectations in a way that tells subordinates that he is merely following instructions from above. In fact, he unconsciously hopes that his subordinates' performance will fall short,

“proving,” as he has asserted all along, that the new stretch goals cannot be attained.

Ironically, management-by-objectives programs often create heavy paper snowstorms in which managers can escape from demand making. In many MBO programs, as lists of goals get longer and documents get thicker, the focus becomes diffused, bulk is confused with quality, and energy is spent on the mechanics rather than on results. A manager challenged on the performance of her group can safely point to the packet of papers and assert, “My managers have spent many hours developing their goals for the year.”

Strategy for Action

The avoidance mechanisms just described act as powerful deterrents to dramatic performance improvement – but they do not have to. There are ways to accelerate progress.

If management is willing to invest time and energy, there is a way it can expect more and get more. I have seen the process work in a variety of organizations: in a refinery that expanded its output while reducing its force by half; in a large, urban teaching hospital that shifted its mission and direction radically; in a poorly maintained detergent and foodstuffs plant that became more competitive without more investment; and in school systems where determined leaders generated innovation despite the inertia of tradition.

The essence of the five-step strategy outlined here is to make a successful initial attempt at upgrading expectations and obtaining a response and then to use this achievement as the foundation for increasingly ambitious steps. A series of demands, initially limited, then more ambitious – each supported by careful plans, controls, and persistence – makes success more likely than does a big plunge involving demands for sweeping changes.

Select the goal. Start with an urgent problem. Are the costs of one department too high? Is a budget being seriously overrun? Is a quality specification being consistently missed? Is there a shortfall in meeting a sales quota? Beginning with problems like these is essential to generating the feeling that achievement of the goal is imperative, not merely desirable.

As you select the goal, assemble the information needed to frame the performance demand. You need this information not only to define the need and specify the target but also to convince people why performance improvement is essential.

It is also a good idea to sound out your subordinates on the opportunities for improvement; their

Retrospective Commentary

In company after company, I have asked managers to estimate how much more their organizations would produce if overlapping functions were eliminated, if units began to work more in sync with each other, if people worked more closely to their real potential, and if they dissipated less energy in political hassles, self-aggrandizing behavior, useless meetings, and projects that go nowhere. Not surprisingly, almost everyone has selected the "25 to 50%" and the "over 50%" categories.

With all this latent potential evident, why hasn't there been more progress toward meeting the global competitive challenge? I am as convinced as I was 17 years ago that the principal reason is that "few managers possess the capacity – or feel compelled – to establish high performance-improvement expectations in ways that elicit results." This capacity continues to be the most universally underdeveloped managerial skill.

There is no doubt that companies today are more impressed with the need for performance improvement than they were in 1974. They are making vast investments in new tools, new plants, and new technology. They have cranked up massive programs in continuous improvement, customer service, total quality, and culture change that dwarf the efforts of the 1960s and 1970s. Senior executives, corporate staff groups, university professors, and consulting firms have thrown themselves into the battle. The Malcolm Baldrige National Quality Award furnishes a national rallying point.

If these programs were put under the spotlight, however, they would be discovered to serve frequently as convenient escape mechanisms for managers avoiding the struggle of radically upgrading their organizations' performance.

Ironically, the "thinkers" who have invented the latest organizational effectiveness strategies unwittingly provide new busywork escapes. By putting so much emphasis on process and techniques, they have slighted the importance of results. Thousands of employees are trained in seven-step problem solving and statistical quality control; thousands of managers are "empowered"; and thousands of creative reward and communications systems are in place. In the absence of compelling requirements for

measurable improvement, however, little improvement occurs.

For example, teams of consultants and social scientists set up more than 40 different programs in a large international corporation in an effort to make it a "total quality company." In publicizing this undertaking, the company proudly asserted that it did not expect significant results until the *fourth* year.

Companies will never achieve competitive performance levels as long as their executives believe that the right training and development activities, applied with enough diligence, will eventually be rewarded with the right bottom-line results. That is a siren song for all those managers who don't have the stomach for the necessary personal struggle. No combination of programs and training can inject the required experience, skill, and confidence.

Contrary to the mythology, setting high-performance imperatives does not conflict with empowering people. Empowerment comes as people rise to the challenge of tough demands and, through effort, meet them. Listen to two Motorola employees describe their experience on a project to turn out a product for Nippon Telephone and Telegraph:

"The customer came and told us that nothing except absolute excellence would be accepted. The team was really turned on by the challenge of doing something that was considered impossible."

"People were challenged every day. There was a strong drive to succeed in this program. It was the most exciting time of my life."

Those are empowered people.

To create this kind of environment, managers have to personally experiment with demand making on some urgently needed improvement, like accelerating the development of new products, making far-reaching gains in quality, or improving customer relationships. Demand making can enliven organizations with the challenge of tough goals and the gratification that comes with success. Without an ever-sharpening demand framework, improvement programs and activities are merely diversions from the real work of making our corporations more competitive worldwide.

– Robert H. Schaffer

responses will give you a sense of their readiness. To illustrate, the management at a newspaper publishing plant tried to launch a comprehensive improvement effort. The needs were so great and resistance by managers at lower levels so strong that very little was accomplished. Interviews with the composing room supervisors, however, revealed that they

shared upper management's distress over the number of typographical errors in news and advertising matter. This information made it possible to design an initial project mobilizing supporters of change.

The more participation by subordinates in determining goals, the better. Managers should not, however, permit their dedication to the participa-

tory process to mean abdication of their own responsibilities.

Specify the minimum expectation of results. Broad, far-reaching, or amorphous goals should be narrowed to one or two specific, measurable ones. A manager may protest with "I have too many things that have to get done to concentrate on only one or two of them." But the fragmentation of a manager's attention in trying to push them all ahead can keep her perpetually trapped in the same defense mechanisms from which she is trying to escape. Whether the first-step goal is a modest advance or a bold one, it must focus the energy of the organization on one or two sharply defined targets.

For example, one company, in treading a path between mass production and tailored engineering, was losing money because it could not clarify its proper place in the market and develop the appropriate products. Top management spent hundreds of hours conferring and making studies to define the business, the product line, and the pricing strategy. This produced more frustration than progress.

The undertaking was transformed, however, when the president asked the executives to select from a dozen new products the one they agreed would most likely be profitable and conform to their vision of the business. He directed them to sketch out a market plan and pricing policy for this product. They were to draw from this effort some generalizations that could be applied to policy determination. The president was convinced that the group could produce the result in a short time. And he was confident that the initial step would provide insights into the next steps to clarify the company's direction.

Communicate your expectations clearly. Share with the persons responsible, both orally and in writing, the determination of the goal, the locus of responsibility, the timetable, and the constraints. Make clear that you are not asking for permission to set the goal, not securing their advice on whether the goal is attainable, and not implying that if they do not meet the target, you will nevertheless appreciate their efforts. Make sure they understand that this is not a goal that *should* be achieved; it is one that *must* be achieved.

Monitor the project, but delegate responsibility. Work-planning disciplines are essential to preventing these projects from fading into the ether. Trying to keep the goals, commitments, and plans only in your mind is sure to undermine the project; rather, have the manager responsible for each goal or sub-goal provide you with a written work plan of steps to be taken to reach the goal. This plan should also specify how progress will be measured and how it will be reported to you.



Managers escape from making real demands by hiding out in paperwork.

Moreover, assign responsibility for achieving each goal to one person, even though the contributions of many may be essential for success. Consider the case of a company whose technically complex new product was failing to perform as promised. The president talked about the problem with her marketing, engineering, and manufacturing vice presidents; each claimed that his function was doing its job and that the problems originated elsewhere. After spending much more time than usual with her subordinates, the president was still able to effect only a slight improvement.

The turnaround came when she told her department heads that it was unwise for her to get involved in trying to solve the problem. That was *their* job. She gave them full responsibility for reducing the frequency of unacceptable products to a target level within three months. She assigned to one executive the responsibility for shaping an in-

tegrated plan and for making certain it was adequate to achieve the result. In addition, the president requested that each of the other managers produce a plan specifying his or her own functions, contributions, and timetable. After many months of struggling for a solution, the company for the first time pinpointed a goal to be achieved, established responsibilities for achievement, and introduced work-planning disciplines to manage the process in an orderly way.

When responsibility for results is not explicitly assigned, subordinates tend to “delegate” it upward, especially if the boss tries to play a helpful role in the project. Top management must ensure that project members clearly understand their responsibility and must not permit them to turn offers of help and support into opportunities to pass the buck.

Expand and extend the process. Once some success has been achieved on a first set of demands, it should be possible to repeat the process on new goals or on an extension of the first. This will lead to further expansion.

Consider the efforts of a large railway express terminal that handled tens of thousands of shipments

When responsibility for results is not explicitly assigned, people “delegate” it to the boss.

daily. It was performing very poorly on many counts: costs were high, productivity was low, and delivery deadlines were often missed. Studies had identified the potential for saving hundreds of thousands of dollars, but those savings were illusive. Then the head of the terminal and his boss ceased talking about what was going wrong and all the improvements that were needed. Instead, they identified the most crucial short-term goals.

From these few they selected one: getting *all* of one category of shipments out on time each day. It was not an easy goal, but it was clear and understandable; it could be sharply defined and measured, and action steps could be quickly identified. Meeting that target was the all-important first success that launched the terminal on an ambitious improvement program. Once the first traffic category was under control, top management planned a series of slightly more ambitious improvement programs. Gradually, the terminal’s managers gained confidence in asking for more, and their staffs

gained confidence that they could respond. Eventually, many of the sizable savings promised in the earlier studies were realized.

Psychodynamics of Action

While moving ahead through successive sets of demands, top management has some essential work to do on the psychological front as well. The methods and procedures for negotiating goals with subordinates are well known; almost overlooked but more significant are the often unconscious negotiations that managers carry on with themselves. They frequently bargain themselves down to comfortable expectation levels long before they confront subordinates. They must learn to share the risk taking that they want their subordinates to assume. They may have to live with the “testing” subordinates subject them to, and they may need to engage in consciousness-raising to make sure they do not slip into rationalizations for failing to see that their directives are carried out.

Managers often unintentionally ensure that they will share in the glory of their subordinates’ successes but that lower levels will take the blame for failures.

For example, a plant manager had been pressuring the head of maintenance to realign the responsibilities of supervisors and workers as a way to increase efficiency. The step would make a number of persons redundant. Low-level managers and supervisors resisted the move, warning of various disasters that would befall the plant.

The deadlock was broken only when the plant manager – through transfers, early retirements, and a very modest layoff – reduced the maintenance force to the level needed after the proposed reorganization. Once the most painful step had been taken, maintenance management quickly installed the new structure. Instead of insisting self-righteously that the key to action was overcoming the resistance of maintenance management, the plant manager assumed the risk and reduced the staff.

When managers expect better results, subordinates may express their own lack of self-confidence in the form of tests. For example, they may continue to do exactly what they have been doing, suggesting that they heard the boss’s words but disbelieve the message. Or they may imply that “it can’t be done.” Some subordinates may advise managers that for their own good – considering the high risks involved – they should lower their sights. They may even withdraw their affection and approval from their managers.

Such testing is usually an expression of subordinates' anxiety over whether they can actually achieve the goal; it is a way to seek reassurance from the boss. If the boss is as anxious as they are, he will be upset by the testing and may react against what he perceives as defiance. If he has self-confidence, he will accept the testing for what it is and try to help his subordinates deal with the problem – without lowering his expectations.

In breaking out of productiveness-limiting traps, consciousness-raising may be needed to help managers assess more objectively their approach to establishing demands. Consultants – inside or outside – can help managers gain the necessary perspective. Or several managers who are working through the same process may join forces, since each can be more detached about the others' behav-

Subordinates may test the boss's demands by ignoring them or by implying that “It can't be done.”

ior than about his or her own. They may meet periodically to probe such questions as: Have you adequately assessed the potential for progress? Have you made the performance requirements clear to your associates? Are these goals ambitious enough? Are you providing your subordinates with enough help? Are you sharing the risks with them? How well are you standing up to testing? Have you defined goals that at least some of your subordinates can see as exciting and achievable?


Perhaps the most important function of consciousness-raising has to do with getting started. It is very difficult to alter the pattern of relationships between superiors and subordinates, especially if they have been working together for a long time.

You cannot take the first step without worrying that your people may say (or think), “Oh, come off it. We know who you are!”

The Rewards Are There

The strategy for demanding better performance – and getting it – begins with a focus on one or two vital goals. Management assesses readiness and then defines the goal. The organization receives clearly stated demands and unequivocally stated expectations. Management assigns the responsibility for results to individuals, and work-planning discipline provides the means for self-control and assessment of progress. Management keeps wired in, tenaciously pushing the project forward. Early successes provide the reinforcement to shoot for more ambitious targets, which may be extensions of the first goal or additional goals.

There is no limit to the pace or scope of expansion. As this process expands, a shift in management style and organizational dynamics gradually takes place: sophisticated planning techniques, job redesign, closer line and staff collaboration, and other advances will come about naturally.

With clearly conveyed, “nonnegotiable” expectations and a step-by-step expansion strategy, you may find that the anticipated difficulties and dangers never materialize. If your subordinates are like most, they will respond to the higher demands. They will be able to accomplish what is expected – or most of it. And despite a bit of testing or hazing, most of them will enjoy working in a more results-oriented environment. Thus you will be creating greater job satisfaction and mutual respect, better relationships among levels, and a multiplied return on the organization's human and material resources. 

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