How to Treat High-Achieving Managers

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How to Treat High-Achieving Managers

Abstract
[Excerpt] Many financial institutions today experience major conflicts between their subordinates’ needs for performance feedback and managers’ willingness and ability to satisfy those needs. A considerable body of research suggests that most subordinates desire feedback regarding their performance. In contrast, the results of many years of study have found that managers are often hesitant to provide feedback, as illustrated by the following findings.

Keywords
financial management, managers, employee recognition

Disciplines
Finance and Financial Management

Comments

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Contrary to popular opinion, good financial managers don’t mind being criticized for slip-ups. What they do seem to resent is the silent treatment— not being complimented for a good job or (yes!) chastised for a bad one.

Many financial institutions today experience major conflicts between their subordinates' needs for performance feedback and managers' willingness and ability to satisfy those needs. A considerable body of research suggests that most subordinates desire feedback regarding their performance. In contrast, the results of many years of study have found that managers are often hesitant to provide feedback, as illustrated by the following findings:

- Managers tend to provide feedback by exception, when performance is particularly good or particularly poor.
- Managers are reluctant to provide negative information about a subordinate's performance.
- Managers tend to distort negative information, often "softening" it.
- Managers often provide very general feedback, not specifically related to behavior.
- Managers tend to provide more feedback when subordinate performance is improving than when it is declining.
- Managers tend to ignore their developmental role and often utilize feedback only if it affects their own performance.

Providing performance feedback can have a significant impact on subordinate attitudes as well as on future performance. This article focuses on the use and effects of performance feedback from the superiors of a group of 290 high-performing middle managers. Respondents were employed by a large number of financial institutions from across the United States and were identified by their respective organizations for their achievements. The primary research question is, "What types of feedback are the managers of these high-performing subordinates..."
utilizing to motivate them to attain their high level of performance?"'

B.F. Skinner's work on reinforcement theory, begun in the early part of this century, provided the foundation for much of what is known about performance feedback. Skinner found that there are three basic types of reinforcers that may be used to encourage or discourage behaviors in individuals: positive reinforcement, punishment, and extinction.2

"Behavior that gets rewarded gets repeated." Positive reinforcement is implemented by providing a positive outcome following a desired behavior. It serves to reinforce that behavior and increases the likelihood that it will recur. As feedback, positive reinforcement may provide the most useful information, as it emphasizes to the individual those behaviors that are desired.3

"Speak softly and carry a big stick." Punishment is the opposite of positive reinforcement, the administering of a negative outcome following an undesired behavior. Punishment is useful in inhibiting a particular behavior, but it often provides little or no information about the behavior that is desired.4

"Ignore it and it will go away." Extinction is the intentional lack of any response to a particular behavior. Behavior that is not reinforced tends to disappear over time. Extinction is useful to extinguish undesired behavior, but is somewhat unpredictable with respect to the time it may take to be effective.

Four Behavioral Types

Much of Skinner's research was conducted using laboratory experiments, and it was not clear if these principles could be transferred to a business setting. Managerial effectiveness research that built on Skinner's work began in the 1970s, using field studies in actual business organizations. Recent studies have highlighted the effects of four specific types of managerial behavior on subordinate satisfaction and performance.

These four types of behaviors are contingent reward (CR: administration of a positive outcome contingent on good task performance); contingent punishment (CP: administration of a negative outcome contingent on poor task performance); noncontingent reward (NCR: administration of a positive outcome in a manner unrelated to performance); and noncontingent punishment (NCP: administration of a negative outcome in a way not related to performance).5

In general, this research has found contingent reward behavior to be related positively to subordinate satisfaction and performance. In contrast, noncontingent reward behavior is not associated with either subordinate satisfaction or performance. Contingent punishment has generally demonstrated a small positive relationship with subordinate satisfaction and performance, while noncontingent punishment has generally been associated with subordinate dissatisfaction and, to a lesser extent, with lower performance.

Canvassing Subordinates

In addition, researchers have begun to examine the effects of the lack of appropriate or desired reinforcement on subordinates. Using reinforcement terminology, this might be thought of as extinction. However, extinction is usually characterized as an attempt to reduce an undesired behavior through intentional nonreinforcement in the hope that the undesired behavior will disappear. In an organizational context it is expected that a manager will respond to both desired and undesired subordinate behavior. Therefore it is not extinction, in the formal sense. For lack of a better term, nonreinforcement of subordinate behavior will be called omission, implying that this is an oversight on the part of the manager. Recent research has examined the effects of two types of omission behavior, positive omission (PO: lack of response to desired performance) and negative omission (NO: lack of response to undesired performance).6

Positive omission has the effect of reducing subordinate performance and satisfaction when the subordinate is performing at a high level. The effects of negative omission are minimal with subordinates who are performing at low levels, but it is unclear what effects it has on high performers.

Much research on managerial performance has taken the approach of asking managers what they do to effectively manage their subordinates. Although this research has generated some very interesting and useful information, it suffers from several potential flaws. First, what
managers say they do and what they actually do may differ significantly. This difference may be intentional or unintentional, but substantial evidence suggests that self-reported behavioral measures are often subject to considerable response bias. Similarly, what managers actually do may not be as important as their subordinates’ perceptions of their behavior. A manager might be providing what he or she considers an appropriate amount of feedback, but if the subordinate does not feel it is adequate, there may be negative outcomes. A final flaw in this type of research is that it tends to ignore the effects of those behaviors on subordinates or the organization. Managers describe their behavior, but may not assess the effects of their actions.

Consequently, if one wanted to know what a manager did to motivate subordinates, it might be more beneficial to ask the subordinates. Similarly, if one wanted to study the behavior of managers of high-performing subordinates, one might ask those subordinates to describe their managers’ behavior.

Since this study is based on the responses of 290 middle managers of financial institutions from across the United States who had been recognized by their respective institutions for their exceptional performance and for their potential for future promotion, it provided a unique opportunity to focus inquiries on the managers of high-performing individuals.

A questionnaire was distributed to all respondents, consisting of 32 items assessing supervisory reinforcement. Illustrative items include: “My supervisor commends me when I do a better than average job” (CR). “My supervisor lets me know when I perform poorly” (CP). “My supervisor frequently praises me even when I don’t deserve it” (NCR). “I frequently am reprimanded by my supervisor without knowing why” (NCP). “My supervisor gives me no feedback when I perform well” (PO). “My poor performance often goes unacknowledged by my supervisor” (NO).

### Clarity and Conflict

In addition, several other measures were used to assess subordinate perceptions. These included two task-related measures: role clarity, the degree to which employees understand what is expected of them in their job, and role conflict, the incompatibility of demands caused by such factors as dual reporting relationships. Also assessed were two types of satisfaction subordinates felt with regard to their managers and a general measure of motivation. The satisfaction measures assessed satisfaction with managerial technical skill, or the manager’s ability to provide subordinates with task assistance and relevant information, and satisfaction with human relations skills, or the degree to which a manager shows respect and concern for subordinates.

Performance is the result of an interaction between ability and motivation. Clearly, this group was highly skilled and was becoming more so through additional training and education. The primary issue then becomes identifying those factors that motivate this group toward high achievement, with attention focusing on the way managers interact with their subordinates. While a number of factors can affect motivation, many studies have shown the use of appropriate feedback and reinforcement to be especially effective. This is particularly true for individuals with a high need for achievement, a characteristic usually found in high-performing people. Table 1 reveals the reinforcement behaviors of the managers of the respondents, and their relationships to motivation.

Table 1 reveals some interesting results regarding the feedback that these high performers received. The most common type of reinforcer

<table>
<thead>
<tr>
<th>Managerial Reinforcer</th>
<th>Mean</th>
<th>Relationship to Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent punishment</td>
<td>5.04</td>
<td>.16</td>
</tr>
<tr>
<td>Contingent reward</td>
<td>4.63</td>
<td>.69</td>
</tr>
<tr>
<td>Omission — good performance</td>
<td>3.33</td>
<td>-.55</td>
</tr>
<tr>
<td>Omission — poor performance</td>
<td>2.67</td>
<td>-.28</td>
</tr>
<tr>
<td>Noncontingent reward</td>
<td>2.54</td>
<td>-.03</td>
</tr>
<tr>
<td>Noncontingent punishment</td>
<td>2.49</td>
<td>-.50</td>
</tr>
</tbody>
</table>

*Mean on a scale from 1 to 7, 7 being highest. Correlations attain significance at .14 (p <.05) and .18 (p <.01)
Table 2: Relationships between Managerial Reinforcement Behaviors and Subordinate Perceptions

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Relevent Variable</th>
<th>CR</th>
<th>CP</th>
<th>NCR</th>
<th>NCP</th>
<th>PO</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Satisfaction</td>
<td>0.62</td>
<td>0.24</td>
<td>-0.12</td>
<td>-0.50</td>
<td>-0.37</td>
<td>-0.48</td>
<td></td>
</tr>
<tr>
<td>Human Relations Satisfaction</td>
<td>0.71</td>
<td>0.20</td>
<td>-0.03</td>
<td>-0.53</td>
<td>-0.60</td>
<td>-0.34</td>
<td></td>
</tr>
<tr>
<td>Role Clarity</td>
<td>0.46</td>
<td>0.23</td>
<td>-0.13</td>
<td>-0.33</td>
<td>-0.40</td>
<td>-0.29</td>
<td></td>
</tr>
<tr>
<td>Role Conflict</td>
<td>-0.28</td>
<td>-0.02</td>
<td>0.05</td>
<td>0.36</td>
<td>0.21</td>
<td>0.10</td>
<td></td>
</tr>
</tbody>
</table>

*Correlations attain significance at .14 (p < .05) and .18 (p < .01)

reported by the respondents was contingent punishment, which was positively related to motivation. Counter to what one might think, negative feedback that was related to poor performance was very frequently provided by their managers, and was welcomed by the high performers. This is explained by the fact that such feedback provided useful information that resulted in improved performance. The second most common type of reinforcement was contingent reward, which was strongly related to motivation and has two effects. First, it is viewed as acknowledgment for a job well done, and second, it provides useful information regarding task expectations. The third most frequently reported reinforcer was positive omission, which had a strong negative relationship to motivation.

The high-performing managers sought positive feedback when they did well, and a lack of recognition for good performance had a deleterious effect on motivation. Next came negative omission, which was negatively related to motivation. This is somewhat surprising, as one might assume that when individuals perform poorly, they would not want to hear about it. Contrary to expectations, however, this high-performing group viewed this type of reinforcement negatively, probably because it provided them with no information to guide them in altering their behavior. Fifth came noncontingent reward, which had no relationship to motivation, suggesting that positive reinforcement not related to performance is of little use. Finally, noncontingent punishment was the least common behavior demonstrated by managers, but it had a strong negative relationship to motivation. This suggests that when high achievers are reprimanded for something for which they were not responsible, they react very negatively.

The relationships of reinforcement behaviors to subordinate perceptions regarding the two types of satisfaction with the manager and role clarity and role conflict were examined next, with results presented in Table 2.

Satisfaction with managerial technical ability was positively related to contingent reward, and negatively related to noncontingent punishment and both types of omission. This suggests that subordinates feel that their managers have a good understanding of the job when they appropriately reinforce behavior, but lack expertise when they capriciously use negative feedback or ignore the level of performance.

Satisfaction with managers' human relations skills was also positively related to contingent reward, and negatively related to noncontingent punishment and both types of omission. The explanation here is similar to the former case, except that the appropriate use of reinforcers in this situation would be interpreted as concern for subordinates, rather than expertise, on the part of the manager. Role clarity was positively associated with the use of both contingent reward and punishment, suggesting that contingently providing feedback is important to one's understanding of role expectations. The opposite was true for most other reinforcers, which were related to confusion about role expectations.

Similar relationships existed for role conflict, although only contingent reward, noncontingent punishment, and omission when performance
was good were statistically significant. Clearly, the appropriate use of reinforcers was associated with a positive perception of the manager as well as with a thorough understanding of the task.

**Contingent Feedback Works ...**

The obvious question one might now ask is, "Did reinforcement make these subordinates high achievers?" This question is very difficult to answer due to the limitations of this study. However, similar studies in other research settings (hospitals and manufacturing) with a normally distributed level of performance revealed substantially less use of contingent reinforcers and greater use of noncontingent reinforcers by managers than in the present study. In any case, it is clear that the high achievers in this study received a substantial amount of feedback through various types of reinforcement and that these reinforcers were strongly associated with subordinates' attitudes toward their jobs and their supervisors.

The reinforcement perspective reveals the different types of feedback used by managers and their relationships to motivation and satisfaction for high-performing individuals. One of the important findings of this research is that, overall, respondents perceive that they are receiving a large amount of feedback, and that feedback which is contingent on their performance is positively related to their satisfaction and motivation.

Specifically, the high degree of use and pronounced effects of contingent reward and contingent punishment suggest that these are indeed important managerial behaviors. In order for any type of feedback to be useful, it must be specific, timely, and most important, contingent on performance. In other words, for feedback to be beneficial, it must provide useful information to the receiver, and it must be linked to specific behaviors.

The banking industry is undergoing major upheaval and will probably continue to do so for at least the foreseeable future. Some institutions will thrive while others will fail. At times like these, managers may focus their attention on things other than their subordinates, despite the fact that it may be these very people who will directly influence the organization's future. The motivation and commitment of employees can be a major determining factor in an organization's success or failure. Now, perhaps more than ever, is the time for managers to become more effective in utilizing what may be their greatest resource, their subordinates.

Managers' hesitancy to use feedback is unfounded, and may have negative effects on subordinate performance and attitudes. Managers should not be hesitant to reinforce subordinate performance, whether positive or negative. For those subordinates performing at a satisfactory level, reinforcement will increase the likelihood of future high performance, and for those performing at a less than satisfactory level, it will allow the manager to "shape" the behavior of subordinates, which can lead to improved performance.

**... Omission Doesn't**

Managers may at times adopt the approach toward subordinates that "if you don't hear from me you know you are doing fine." The current study suggests that this is clearly not appropriate. Omission, or the lack of reinforcement, may have strong negative effects on subordinate attitudes, performance, and perceptions of managerial ability. For subordinates performing at a high level, lack of reinforcement will eventually result in decreased performance and morale. Similarly, for subordinates performing at a less than satisfactory level, lack of reinforcement will only lead to future poor performance. In either situation, lack of reinforcement from the manager will result in negative outcomes for the individuals and the organization.

**Notes**


