

Introduction



I grew up and worked in our family's candy and grocery wholesale business. That's where most of my early management experience came from. I worked in the business every summer from 14 years of age through college.

Through that lens, managing people looked so easy. It seemed to be simply a matter of telling people what to do and then making sure they did it. This flawed, simplistic view of how to manage was prevalent all through my undergraduate years as a business student at Iowa State University. In fact, I got a D+ in my first management course because I rarely went to class! I honestly did not think that I would use the material and that managing people was simply "common sense."

After graduating, I transferred to a branch location in our family business near Omaha, Nebraska. Having worked under my father for the previous seven years, I thought his system of simply telling people what to do seemed so simple and yet so effective. What I, of course, didn't know was that this was not how he really did things. I was not around when he had to fire people. I was not in on the heated meetings, the restructurings, the job interviews, the visits by his boss (he was always just Grandpa to me), the promotions, demotions, or the time he caught what he thought was a loyal employee stealing from him.

So I approached my first management job assuming the people side of managing was going to be relatively easy. I understood quite well the

technical side of the distribution business and had a business degree but viewed *the most important part* as common sense.

After several years of managing, I returned to graduate school. It was quite a discovery to find out that many of the areas in which I was struggling were centerpiece management topics. That is when I finally realized that an organization could really be transformed through proper management and leadership.

I have talked to thousands of practicing managers in my management courses and training seminars over the last few years. I'm struck by the fact that most of us experience similar problems when working with or managing people. The troubling stories people tell about their boss, the communication problems that they experience in their organization, or their last performance appraisal that they didn't like are universal across all different types of people, different levels of management, and in all industries.

Many of the managers in the trenches who are making decisions, hiring people, solving conflict, and conducting performance appraisals are often left to figure out how to do these things on their own. The traditional management paradigm views managing people as common sense as opposed to the complex science that it really is. This common sense approach may have worked with previous generations of managers, but today's environment has become too complex just to promote individuals and hope they can learn how to manage the people part of the job.

The previous generation had more of what I have termed *working managers*. A working manager is one who only manages on a part-time basis, with the majority of their time spent in the trenches. Examples include sales managers who spend a majority of their time actually selling, fast-food restaurant managers working the grill, or first-line supervisors who fill in when people get sick.

This is in part out of necessity because not every position requires a full-time manager. But it also is a root cause of why many organizations are managed poorly. It is because managing is often viewed as an afterthought or something to do when the "real" work is done.

Consider how most other fields in business have defined a set of knowledge that one must have in order to practice. You turn your money over to a “Certified Financial Planner (CFP).” Your accountant has a “Certified Public Accountant (CPA)” designation. You wouldn’t see a lawyer who decided that law school was just common sense, so she skipped it, or an airline pilot who just had a knack for airplanes, so he never took flying lessons. However, organizations are often managed by individuals who may have talent but lack the tools or the training to effectively do their jobs.

This is further complicated by the fact that many management programs *appear* to be common sense but are in fact quite complex in the implementation. The typical things that we call “management fads that failed” are oftentimes good programs that were not implemented correctly.

How can you argue with quality management, with goal setting, with management by objectives, empowerment, self-managed teams, or pay for performance? I’d wager that if these programs left a sour taste in your mouth, it could be attributed to poor implementation by the organization. Maybe your manager told you to “do quality better” but gave you no resources. Maybe you set goals correctly but received zero feedback on them. Maybe you were “empowered” but had your boss watching your every move.

Part-time, working managers are often not equipped to give serious attention to the critical functions of management. They tend to rush through things such as performance appraisals because “customers are coming” and wonder why employees think they don’t get quality feedback. They may have an “open door policy” but at the same time tell people not to bring problems, only solutions. They may tell customer service representatives to answer 20 phone calls per hour but also to make sure they spend quality time on the phone with the customers. They could be so short staffed that they don’t have time to conduct quality job interviews and end up hiring the wrong person, then they wonder why turnover is so high.

The stories I tell throughout the book are true, but the names and details have been changed. After going back through the stories, it did occur to me that I may have been too hard on myself by telling mostly about my negative experiences as a manager. However, I have found that the best way to illustrate management concepts is through real-life examples. This is how I lead my classes and seminars, and I also believe that the best learning experiences happen when things don't quite go our way. I hope you will find this approach both entertaining and useful.

Steve Farner

Perception and the Myth of Communication Problems

"I didn't say that! Why aren't you listening?"



I used to really like quarterly manager meetings. I can remember my very first one. We were in the old warehouse conference room, complete with brown paneling across every wall. The room was packed full of people, and it was really hot and smoky. I didn't care; I was a manager now!

Relevant issues were brought up during that meeting. Accounts receivables were way too high. We used to allow our best customers 30-day credit terms, but now have required payment in seven days in order to improve cash flow. Most managers had made little progress in converting their accounts to the seven-day terms. Sales managers in the larger markets proposed a new pricing structure for candy. They said our prices were too high, and they were having trouble competing. Branch managers also discussed how the buyers, who were located at headquarters, didn't seem to communicate with them. One example was a shipment of candy that was delayed 30 days, but the branches did not know about the delay.

The discussion then turned toward developing a better system to recover the plastic totes in which products were delivered to stores. Many customers were not returning them, probably because they were the perfect size for storing items at home. Various options were discussed, including a deposit on the totes, tracking them on the computer, making the delivery drivers responsible for the totes, or simply raising prices to cover the costs.

Seven years later, about the only thing that had changed about these meetings was that we were in a larger conference room. Yes, we had grown the business significantly; our accounts receivables were better; and our future growth plans were right on schedule. Oddly however, the content of those meetings was eerily similar to the meetings I went to seven years ago. For example, accounts receivables, although better, were still way too high. And the president of the organization said that he was not communicating very well the importance of reducing the dollar amount that we were carrying on the books.

We then discussed growing sales in our larger markets. One sales manager complained that our prices were too high, and said he would be going after new customers by offering them 30 days to pay their bills. I thought it was rather humorous, given our president's speech not even five minutes ago about receivables being too high! The president did not see the humor. It seemed as if his latest speech didn't solve the "communication problem" around the receivables issue, at least for this sales manager.

After another branch manager complained about the buyers' lack of communication, the discussion shifted back toward the cost of the lost totes again. The common theme was communication, and I remember thinking that we all needed to go to a communication seminar. Our president couldn't communicate the importance of reducing receivables, managers couldn't communicate with the buyers, salespeople couldn't communicate the importance of reducing our prices in larger markets, and the warehouse foreman couldn't express properly how much this tote issue was costing the organization. Couldn't we all just communicate better?

Fast forward 10 more years: I'm in a strategic planning meeting at the university where I teach. The consensus is that the main issue that could really hamper our growth and our profitability is, well, a "lack of communication." Marketing hasn't informed customer service when advertising has run; hence they are experiencing high call volumes, which they weren't prepared for. Professors are supposed to complete a form when students don't attend class, but they don't know where to find the form, and the department heads are finding out about major decisions after they happen.

All of this is eerily similar. The only difference between today's meeting and my former meetings at the family business is that we didn't talk about returning missing totes. So what did we do? We formed a committee to study the problems. The committee determined that the root source of the problem is, yes, communication!

Communication: A Shallow Solution for Deep Issues

Both of these organizations are adept at what they do and have positioned themselves to be market leaders in their respective industries. The point is twofold. First, most organizations face the same issues. They get repackaged a bit, but basically all are facing the same things. This is because the common denominator in all organizations is people. Yes, technology is different in different industries, and people do different things, but it all involves people, and managing them makes for some interesting dilemmas.

Second, too many organizations package their problems and issues as “communication problems,” which can delay solving problems and moving forward. In fact, I really can't stand to see the words *communication problem* in an analysis of what is wrong with a given organization. I have even barred my MBA students from having the words in their vocabulary, and they know that if they diagnose a case study in this fashion, they will lose points.

You see, every problem that exists in society can be traced back to some sort of communication problem. Even an argument with my wife can end if I simply throw up my hands and say, “I just can't communicate with you!” Saddam Hussein didn't really take our threats seriously because we couldn't find the right words to communicate our true intentions. I couldn't communicate very well with the police officer, so he gave me a ticket instead of a warning, and, of course, students that do poorly on exams do so because the professor didn't communicate with them well enough in regard to what was going to be on the test. I'm not denying

that communication problems exist; it's just that framing the situation in a communication context hampers our efforts in solving problems.

One of my favorite case studies involves a manager who has determined that several departments are not working well together, so he calls a 6:00 Monday morning meeting in order to get them to communicate better. The meeting goes well, so the manager says as long as things continue to run smoothly, they don't have to continue the 6:00 a.m. meetings. The departments continue to work well together in the following weeks.

Many of my students conclude that the case illustrates the value of meetings in fostering communication. While this may be true to some degree, the real reason that the meeting solved the problem is that they now know that if they don't work together, they will be meeting again at an incredibly early and inconvenient hour, so they go to great lengths to avoid this punishment. Is this communication? Yes, I suppose, but for a practicing manager, it illustrates much better the concept of reinforcement—a topic that will be covered in-depth later in this book.

One manager I worked with held onto critical information until we basically begged for it, or we went around him to find out critical things that we needed to effectively perform our jobs. Further diagnoses revealed that his reasoning was more power-related rather than a lack of communication skills. By holding on to critical information, he perceived himself to have more value. The point is this: Most of the time, a diagnosis of communication is like spinning your wheels. Get to the root of the issue if you want to solve the problems.

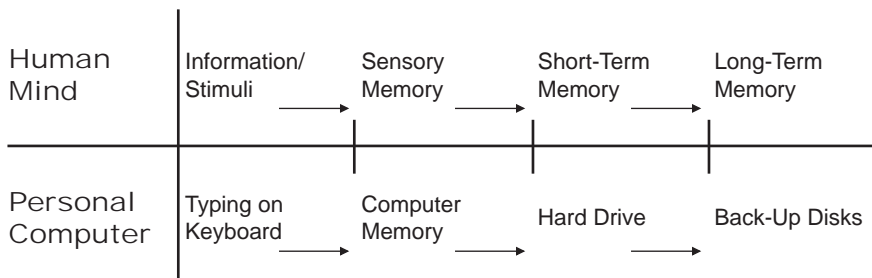
Much of what gets blamed on communication issues actually is a function of how the human mind works, and how we perceive and process information. Let's first examine how the mind works, and then return to some practical organizational examples.

Perception and the Human Mind

Think of your brain as a personal computer. Your long-term memory is your back-up data that is stored on a CD-ROM somewhere; your short-

term memory is your hard drive; and your sensory memory is analogous to your computer's memory (if you don't "save your work," it is lost forever).

The difference between humans and computers is that humans have a more difficult time choosing what to work on. We are constantly bombarded with stimuli, and our sensory memory filters out what it deems not important. As I write this, my wife is asking me why I can't hear our four-year-old screaming in the background. Well, I can now, but, before, my mind was filtering it out (how convenient!).



Most of us have had small things happen to us that convince us that our memory is fading, but in reality, our minds just chose not to register the experience on our hard drive. Have you ever been on a trip and have no recollection of driving through a certain town that you know you passed? You may think you were driving dangerously since you don't remember it, but in reality, you most likely just chose not to store the experience. Do you ever get to the end of your shower and can't remember if you shampooed your hair? No, you are not losing your mind; this is the filtering process that the sensory memory uses to determine what to save and what to discard.

In seminars, I ask participants to look around the room and count the number of people wearing a red shirt. Then, I have them close their eyes and ask them to tell me how many participants are wearing blue shirts. While agreed that this is an unfair test, it does show how we filter information. This is why two people come away from a meeting with a different version of what happened, why two people have opposite reactions to being yelled at by the boss, or why one person can think the restaurant service was great, the other horrible.

This is called *perceptual selectivity*. Because we cannot organize and process all that our senses observe, we take bits and pieces. The key is that bits and pieces are not chosen at random but, rather, are based on things such as our own interests, backgrounds, and biases. As an aviation buff, I often hear airplanes flying overhead that others filter out. I can be in a meeting, hear the faint sound of a nice turbine engine, and my eyes turn toward the window; others don't hear a thing.

In the opening story of this chapter, I'm certain that our president could very well have thought that the sales manager was defying him by boldly saying that he wasn't going to attempt to reduce receivables and, in fact, increase receivables as a market penetration strategy. I'm also certain that the sales manager was not doing this; it is just that, for whatever reason, his brain chose not to register that portion of the president's comments.

In many cases, we are processing stimuli that are below our conscious threshold. This is called subliminal perception. Malcolm Gladwell calls this "thin-slicing." He discusses how art experts instantly knew a statue was a fake, but they could not express why. They just "felt" funny about it. Further examination proved that the art experts were correct, but the information processing occurred below their conscious threshold, and they could not articulate why.



Psychology uses optical illusions and little tricks like this sign to give us some insight as to how the human mind works. Most people will filter out

the second “the” in the adjacent figure. There is much more to processing and storing information than simply deciding to move it from sensory memory to your hard drive.

Count the number of F's in this passage:

FINISHED FILES ARE THE
RESULT OF YEARS OF SCIENTIFIC
STUDY COMBINED WITH THE
EXPERIENCE OF YEARS

The correct answer is six. If you found fewer than six, your mind was most likely interpreting the word of as a “v” sound.

Here is another one that I received via email:

Aoccdrnig to rscheearch at an Elingsh uinervtisy,
it deosn't mttar in waht oredr the ltteers in a wrod are,
the olny iprmoetnt tihng is taht frist and lsat ltteer is at
the rghit pclae. The rset can be a toatl mses and you can
sitll raed it wouthit a porbelm. Tihs is bcuseae we do not
raed ervey lteter by itslef but the wrod as a wlohe.

I don't know the research behind this, as the original source is not known. I'm sure the order of letters does matter in certain contexts, but it was an interesting email.

So our minds are very complex, and these activities, illusions, and plays on words illustrate this. Understanding this concept has made me a much better manager. I no longer assume that people are defying me, not listening, not communicating, or lacking motivation. This understanding gives me a wider set of solutions to draw upon to solve problems. By

being aware of the biases and limitations of our mind, we can simply make better decisions.

Job Interviews, Performance Evaluations, and “Thin-Slicing”

Statements such as “perception is reality” or “you never get a second chance to make a first impression” are clichés because they are true. Managers act upon perceptions, and job interviews and performance appraisals often feel like first dates.

What is it about a first date that makes us so nervous? Quite simply, we know that one wrong move has such a strong bearing on our future. I’m reminded of one of my favorite lines in the now cancelled NBC-TV show *Ed*. One of the nerdy characters in the show had been trying to get a date with the most popular girl in his high school class. The date went perfectly, until the end when he said, “I had a really good time. I really thought you would be more stuck up than you really are,” or words to that effect. You see, I can say this type of thing to my wife and get away with it, but if it occurs on a first date, the relationship is terminated. The “reality” is that they did not date anymore.

Many studies show that job interviewers make decisions about job candidates in less than five minutes. One researcher concluded that up to 85 percent of the interviewers had made up their minds before the interview began based upon the application form and the candidate’s personal appearance. How can they do that if they are not using first impressions? The whole thing is scary and yet, at the same time, reality.

This also relates to Gladwell’s thin-slicing concepts. We are making decisions based upon small slices of information. He cites one expert who can watch a 15-minute videotape of a husband and wife talking and be able to predict with 90 percent accuracy whether or not that couple will be married 15 years from now. Yes, many factors go into the success of a marriage, but certain factors are better predictors than others.

These perceptual issues play an important role in the interview process. While we all tend to rely on first impressions and thin-slicing, it is important to be aware of the errors that we can make by doing this, with the goal being to improve the process.

For example, we tend to see in others the characteristics that we have, which we automatically assume are good things. This is related to a concept called assumed similarity. We tend to assume that others are “like” us when it comes to what motivates them, what they are thinking, and how they behave.

This becomes something to watch for in the selection process, because I will also assume that my behavior, traits, and attitudes are the best for the organization. In other words, if someone is like me, I will be biased toward hiring that person.

Another perceptual error that we make is that we see one particular characteristic and assume other traits about the candidate because of this. This is called the halo effect. An example of the halo effect would be to assume that if I am a sharp dresser, I must also be well organized, on time, and very detail oriented, when this may or may not be the case. Related to this is the concept of stereotyping, in which we assume things that may or may not be true based upon a group in which I belong.

These particular perceptual biases become even more real when we are under pressure to hire. The work is piling up, we are behind, and we have to get someone hired. We then rush through the interview and end up making a bad decision.

One solution is to focus on designing questions that will minimize your chance of making such errors. Make a list of questions that relate to the job, stick to the questions, and understand the power of the human mind.

I organize and deliver leadership programs. One organization I work with has a month-long program at our campus facility a few times per year. Because the participants are here for a full month, I get to know some of them fairly well. One morning when I was not their instructor, I happened to get a cup of coffee from our break area at the same time the class was on break. I talked to a couple of the participants that I knew, then

went back to my office and continued to work. The next time I got up to get a refill, the group was on break once again. One of the participants joked, “You must not do much around here, you are always getting coffee!” To which I responded, “It must be a pretty easy session this morning; every time I’ve gotten coffee, you’ve been on break!”

This is classic thin-slicing by both parties. It doesn’t matter which party was technically correct, because decisions are made based upon perceptions. My career could hang in the balance based upon incidents like this. What if it were my boss who saw me at the coffee machine multiple times and he was determining who was to get promoted? Let’s also assume that all other factors are equal, and it comes down to two candidates. My boss may perceive me as not the best one for the job because, in his perception, “I think he would prefer just to sit around and drink coffee all day.”

No, it’s not fair, but we all do it. Think back to the last performance appraisal you received. How much of your work did your boss actually see? Did you satisfy 5,000 customers in a given year, but your boss brings up the one customer who called to complain?

The good news is that thin-slicing can go the other way too. I get caught working extremely late at night, and word spreads that I’m a “hard worker.” It doesn’t matter that I am working at night because I played golf during the day. Perception is reality!

Customer Service: Perception and the “White Knight” Phenomenon

I have conducted customer service projects both with our wholesale distribution business and at the university. It occurred to me after looking at the comments people wrote on their surveys that maybe we were looking too deeply into defining satisfied customers.

What intrigued me the most were the handwritten comments. The pattern that emerged was that the “little things” defined good and bad experiences; and these tended to be centered on the *people* that the customers were interacting with, rather than on the details of the specific problem.

For example, the serious issues that you would think would really upset customers, such as receiving an incorrect bill, someone missing an appointment, or being shipped the wrong product, didn't really bother them. Instead, it was the attitude of the person they worked with when trying to solve the problem.

It seemed as if the most satisfied customers were the ones who were actually getting really poor service. Comments centered on how quickly we fixed mistakes and how cheerful we were when fixing them.

Aren't the easiest mistakes to fix the big ones? We know *how to* fix them, and the customer thinks of us as almost heroic for being able to fix things so quickly; hence, I call this the "White Knight" phenomenon of customer service. Make a huge mistake and look like a hero for fixing it. It is much more difficult to restore customer faith when the problem relates to an employee saying something rude, being put on hold for a long period of time, or not receiving a returned phone call in a timely fashion. The problem is twofold. First, we rarely find out about the problem, and, second, these types of things are hard to fix.

Think back to the last time you had a great experience with an organization, such as a convenience store or a restaurant. What comes to mind? I'm guessing you did not think of a certain convenience store because the quality of their candy and soda is superior. It is probably related to the positive feelings you received while shopping there, perhaps because of the friendly cashier. This concept is called customer engagement and will be detailed in Chapter 7.

My wife and I were dining at a new pizza place. When the pizza arrived, my wife said the pizza was cold and asked for it to be heated more. The waitress actually said that the pizza was not cold because she witnessed it being taken out of the oven. Although the waitress eventually gave in and

NOTICE TO OUR GUESTS:

If there is anything you need and don't see, please let us know, and we will show you how to do without it.

Mary Toarmina
McWilliams Fadden

reheated the pizza, by not understanding perception, she lost potentially valuable customers, because we just don't feel like going back.

You see, the pizza may have been very hot when viewed through the lens of the waitress, but that is not the point. This is what is meant by "the customer is always right." They are not always objectively right, but because they are paying the bills, their issues need to be viewed through their eyes, not through management's eyes.

As is human nature, we don't spread stories around about excellent service, but we do tend to spread the word about bad experiences. I'm sure most people in customer service have experienced the frustration of serving thousands of people flawlessly, but having the boss get on you for the one person who called in upset. This is perception in action and also sort of an informal performance appraisal, isn't it? I've concluded that people can handle major mistakes with organizations, because all organizations make them. What people have a difficult time getting over is being treated in a poor fashion.

Attribution Theory: How What We Believe Affects What We Do Next

The evening that I flunked my first exam as a new MBA student is forever imprinted on my brain. The class was Managerial Economics, and I really thought I had studied for the test. I had read the chapters through at least once and did not miss one single class. I didn't recognize some of the material on the test, but, hey, it's graduate school, it's supposed to be difficult, right?

As I nervously awaited the return of my test, I turned to the guy next to me. He was dressed in a fancy suit, as if he just got off work.

"That was a tough test last week, right?" I asked, trying to confirm that I was not alone in this.

"I didn't think it was too hard," he said.

I caught a glimpse of his score. 92/100, and an A written in red. I thought this guy must not have any hobbies other than studying.

The instructor handed me my test, flipping it upside down so as not to let anyone see my score. A quick glance showed a 42/100, with the letters D/D- written next to it (I guess the professor couldn't decide on a grade).

You need a B to pass the course, and I was well below that. I studied, so that can only mean one thing: I don't have the ability to get a graduate degree. My mind just didn't work like these people's minds. I'm just not cut out for graduate school.

But an MBA would be nice, and I know I'll feel like a failure if I don't make it. I wondered if I could get into another school.

I'm sure we've all had failures in our lives, and how our mind processes these failures really affects what our behavior will be in the future. After failing the exam, there were many directions that my mind went, but all of those directions were designed for me to process *why* something like this could happen. An attribution is an explanation for why things happen to us. If my mind is a computer, consider all of the possible attributions it could have picked from. Here is just a sample:

I didn't study.

I'm not smart.

I got unlucky.

I didn't feel good.

The instructor doesn't like me.

I don't understand the textbook.

My friends kept me up late partying.

I'm not a good test-taker.

Why does it matter which attribution I choose? I flunked the test, didn't I? Well, let's put the attributions in two categories. The first is whether or not the attribution is inside me, or outside me. "Inside me" means things

like my ability or whether I felt good, for example. Outside attributions are outside the person, such as luck, bad instructor, and the like. Using that, let's look at the list again, using I for internal and E for external attributions:

I didn't study.	I
I'm not smart.	I
I got unlucky.	E
I didn't feel good.	I
The instructor doesn't like me.	E
I don't understand the textbook.	I
My friends kept me up late partying.	E
I'm not a good test-taker.	I

The second category is whether or not the attribution can be changed or not. This is called stable or unstable. Stable means it is not likely to change in the near future or, for this purpose, before the next exam. If I think I'm not smart, that is pretty stable, unless I can find some "smart pills" at the pharmacy. So, using S for stable and U for unstable, consider the following:

I didn't study.	I U
I'm not smart.	I S
I got unlucky.	E U
I didn't feel good.	I U
The instructor doesn't like me.	E S
I don't understand the textbook.	I S
My friends kept me up late partying.	E U
I'm not a good test-taker.	I S

Some of these are debatable. For example, if you attribute failure to not feeling well, it makes a difference whether you don't feel good because of a hangover, because you can change that, or because you have a long-

term illness, for which you have no control. But let's assume the previous frameworks are true for my particular head. If you are the instructor, and your objective is to try to get me to study harder for the second exam, which attributions do you prefer that I have? The answer is anything with an IU. By definition, I'm saying the reason I failed is under my control, and that I can change it.

The worst category for this would be ES. You are attributing the cause to something outside you for which you have no control. The problem is that you as the instructor cannot tell what is going on in my head. You may be pounding on me to study harder, but if I'm saying things like, "I'm not smart," or "The instructor doesn't like me," I probably won't study for the next exam. My mind did not say to me that the cause of the failure was a lack of studying, so why would I even consider studying more for the next exam?

Plug in your own analogies. If your sales force isn't meeting quota, and you think it's because they are not making enough sales calls, they will not make more sales calls if they are saying that the product is overpriced (ES). You will be banging your head against the wall for nothing.

After my failed test in my MBA program, I met a student who changed how I studied. We were assigned a group project, and the amount of work he put into this project far exceeded my level of effort. What I realized by interacting with him is that it takes a different level of commitment to succeed in graduate school. Students are not being asked to memorize lists of things, but rather to really understand and apply the material.

Through observing his study habits, I resurrected my academic career, passed the Managerial Economics class (I doubled my score on the second exam!), and went on to receive my MBA. I was only successful because I changed my attribution. After getting that first test back, I was firmly convinced that I was not smart (IS). Meetings with this student showed me that I was not studying hard enough, or in the correct way (IU). This changed everything.

*Success is simply a matter of luck.
Ask any failure.*

Earl Wilson

I really like athletic analogies, because they often illustrate how we know these principles, but don't apply them to management. I've had numerous golf outings in which four people are required to play on the same team. This is called a "scramble" format in which four people hit from the same shot and take the best one until the ball is holed. If we have a really good putter on the team, and he misses his first putt, I try to instantly say things to make sure he attributes this failure to an EU event. I may deceive him and say that I saw the ball hit something on the green, or point out that this green is terrible, or say that they put the hole in an unfair spot. Why? Consider the opposite attribution. If he starts thinking he is a terrible putter, or his game is off today, then we have little chance of succeeding.

This also brings up the point about successful events. Let's change the story around a bit and assume that I got an A on the first exam. I will also search for the cause of this, and using the same database from the previous example, should have something like this:

I studied really hard.	I U
I'm brilliant.	I S
I got lucky.	E U
I felt great!	I U
This instructor likes me.	E S
What a great textbook.	I S
My friends let me study.	E U
I'm an awesome test-taker.	I S

We might debate whether or not this changes the classifications, but the point is that when I succeed, and attribute the cause to studying, I'm likely to study for the second exam. A whole new set of issues arises when I'm totally wrong about the attribution. If I really believe I got lucky, I may tend to rely on luck to pull me through the second exam also. Your mind operates like a computer, and what program the computer runs largely determines future behavior.

Learned Helplessness

The stress literature has identified a condition called *learned helplessness*. This is the belief that you have no control over your situation. Learned helplessness occurs when you just accept stressors or bad things without making an attempt to fix the situation or make things better. The academic reason why you can be this way can be explained by the same IU-ES attribution framework.

What if, for example, I told you that I had a friend who has been unemployed for over 10 years? He has now turned to welfare, and things are getting worse. He is able-bodied, but just seems to have “lost it.” Typically, our first reaction would be to call this person “lazy” or “unmotivated.” This is how the behavior looks, but an explanation can be found if we look into his attribution patterns.

People who suffer from learned helplessness tend to attribute failure to internal, stable events (IS). Therefore, when they get fired from a job, they say things like, “I have no ability, and this will never change,” which is an internal stable (IS) response. The learned helplessness aspect comes when things go well. Successes, when they happen, elicit an opposite external, unstable (EU) response. So, they get a good job, they think that they are lucky, and this surely can't last. If they do get fired, the tables turn, and now they perceive this to be a personal failure. The cycle continues until they have convinced themselves that this is just the way things are.

Summary of Key Points

- Although communication problems do exist, diagnosing problems this way hampers an organization's ability to move forward. If you are tempted to diagnose a problem in this fashion, be prepared for lengthy delays in solving the problem.
- Our minds have to filter out items deemed unimportant to us. Because we are bombarded by so many stimuli at once, our brains have no choice but to sort out what to interpret and what to store.
- This brain process helps explain why two people can leave a meeting with different interpretations of what happened, why a worker can be viewed by one manager as a good performer, but be viewed as a poor performer by another manager, or why a waiter can think he is delivering excellent service but, in fact, is not.
- Be particularly careful with job interviews and performance appraisals. These are two management techniques that are particularly susceptible to perceptual errors.
- Even complex topics like customer service often times can be explained by understanding human perception.
- Attribution theory is about how we explain to ourselves the causes of events and is useful in predicting future behavior.

Selected References

For more information on how the human mind works in a management context, see D. Statt, *Using Psychology in Management Training: The Psychological Foundations of Management Skills* (London: Routledge, 2000).

A good resource for understanding the errors humans make during the job interview process can be found in G. Dessler, *Human Resource Management* (Upper Saddle River, NJ: Prentice Hall, 2003). His chapter on interviewing details numerous studies that show the perceptual biases that humans bring to this process.

The concept of thin-slicing is from M. Gladwell, *Blink: The Power of Thinking Without Thinking* (New York: Little, Brown and Company, 2005).

The “Finished Files” activity is from R. Carter, *Mapping the Mind* (Berkeley and Los Angeles: University of California Press, 1998).

Attribution theory has been widely studied in management. Details on the internal-external framework are at H. Kelley, “The Processes of Causal Attribution,” *American Psychologist*, Vol. 28 (1973), pp. 107-128.

Another common source on attribution theory is from B. Weiner, “An Attributional Theory of Achievement, Motivation and Emotion,” *Psychological Review*, Vol. 92 (1985), pp. 548-573.

For more on learned helplessness, see M. Martinko and W. Gardner, “Learned Helplessness: An Alternative Explanation for Performance Deficits,” *Academy of Management Review*, Vol. 7 (1982), pp. 195-204.