

1 → Introduction

See if you can figure out what these two situations have in common:

- (1) John works for a high-powered investment bank. His work environment is always stressful, but this time he is really feeling the heat. His firm has had several bad quarters in a row. In a recent meeting with their boss, John and his team had been given a strict order: they needed to increase their contribution to the bottom line by 15 percent relative to the previous quarter. Seared in John's memory were his boss's parting words: "I don't care how you get there, just get there."
- (2) I returned home late one night after taking part in a basketball free-throw shooting contest open to all members of the Columbia University community. I was feeling pretty good about things. Out of the fifty contestants who entered, I tied for first (making twenty-two out of twenty-five shots), which necessitated an overtime round between the other top finisher and me. The other person shot better than I did in overtime, so I finished as the runner-up. The next morning at breakfast, my three sons, then ranging in age from five to eleven, asked me

2 ← CHAPTER 1

how it had gone. I decided to make this a teaching moment, as in, there's more to life than winning and losing. So I proceeded to tell them that I had tried as hard as I could, that I really enjoyed the experience, and, oh, by the way, that I had come in second out of fifty people. My sons brought me down to earth quickly: "So, Dad, you lost!" they cried out, practically in unison.

At first blush these two situations seem pretty different from one another. But they also display a noteworthy commonality: our obsession with results. Indeed, several familiar expressions reveal the great importance we assign to outcomes, such as "The bottom line is . . ." or "At the end of the day . . ." Don't get me wrong—we should care about outcomes. Obviously we would rather succeed than fail, win rather than lose, and make more money rather than less. The problem is that all too often our obsession with results blinds us to the reality that how we get there, the process, also makes a big difference.

How the process is handled really matters to those on the receiving end of decisions. Just ask Jay Leno, the longtime host of NBC's *The Tonight Show*. Jay didn't take it well when NBC replaced him with Conan O'Brien in 2009. Why? Was it because, after being No. 1 in late-night TV, he resented being told that his services were no longer needed? Was it because, at sixty, he felt hurt that someone ten to fifteen years younger would be replacing him? It is hard to know the real reasons, but his more recent reactions to being replaced by Jimmy Fallon (who is even younger than Conan O'Brien) give us some clues. As he put it himself, "The main difference between this and the other time is I'm part of the process. The last time the de-

cision was made without me. I came into work one day and [was abruptly told], you're out. This time it feels right."

Part of Jay Leno's satisfaction the second time around was probably because NBC's CEO, Steve Burke, made a point of meeting with Jay himself before any changes were announced. As Burke said after their meeting, "Clearly our goal has been to make this a smooth transition. Jay deserves to be treated like someone who has done a wonderful thing for our company for two decades." Another important member of NBC's senior management team, Lorne Michaels (the creator of *Saturday Night Live*), agreed: "What has been key to this transition has been the absolute consideration for everyone's feelings by all involved. It has been a transparent process." Jimmy Fallon also facilitated things by saying, "I have nothing but respect for Jay. If it weren't for him, I wouldn't have a show to be taking over."¹

The Jay Leno example illustrates three of the central points of this book. First, look at how differently Jay reacted to the exact same decision when the process was done well rather than poorly. As the old saying goes, it's not only what you do, but also how you do it. Second, doing the process well often entails simple things like involving people in decisions, showing respect, and doing things transparently. Not exactly rocket science. Furthermore, doing the process well may not require much in the way of tangible resources. For Jay Leno, it only required a few key people to show him real respect; this cost very little time or money. Third, given how much the process matters, and given the simplicity of doing it right, you would think that processes would be handled well more often than not. Sadly and alarmingly, this is not the case.

Hence this book: I will be talking about how doing things in the right way can make lots of important differences. It can have positive effects on employees' productivity and morale, on the academic performance of chronically underachieving students, on how ethically we behave, and even on how we feel about ourselves. The saga of Jay Leno is anything but an isolated case. I also will discuss what goes into doing things in the right way. The specific elements that affected Jay Leno's satisfaction with the process are part of the story, but many other factors go into a high-quality process. I also will provide answers to the puzzling question of why doing things in the right way frequently fails to happen. After all, if something so simple and straightforward can have such positive effects, shouldn't it be done more often? What is getting in the way? By identifying the obstacles, we can figure out ways to deal with them, thereby unleashing the many benefits that result from doing things in the right way.

Mapping the Terrain

Throughout the book I will consider a wide array of situations in which two or more parties are interacting with one another, or have a relationship with one another, and are trying to complete some task or attain some goal. Most of my examples come from the workplace: for instance, how employees react to a significant change in their organization such as a merger or acquisition. I also will examine more microlevel workplace encounters such as one-on-one interactions employees have with their bosses. The book's contents are also relevant to people in authority positions, such as parents, educators, and politicians. Moreover, the

importance of how things are done also applies to our encounters and relationships with others who are important to us (family, friends) as we go about our various life activities.

In all of these situations, Party A is taking some action toward Party B that, from Party B's perspective, consists of both a "what" (outcome) and a "how" (process). For example, an organization may decide to introduce a new strategic initiative, leading to downsizing parts of its operations. Or a boss may give feedback to one of her subordinates about the latter's recent performance. Or, on a more personal level, a spouse may make plans for the next family vacation. In all of these examples, based upon what Party A is doing, Party B can make a pretty good guess as to what the outcomes will be. Naturally, the more Party B perceives the outcomes to be favorable, the better she responds. For instance, Party B will embrace the organizational change, will support the boss, and will go along with her spouse's suggested vacation spot.

In all of these situations Party A also is carrying out a process, which refers to *how* things are done. For example, in conducting the performance review, the boss may be very top-down, taking into account only her own views. Alternatively, the boss may be more open in her approach. For instance, if this particular organization uses "360-degree" feedback processes, the boss may consider the views of the employee's peers or direct reports, or even the views of the employee himself. Furthermore, the boss may conduct the performance review in ways that indicate how interested she is in her subordinate's development, such as by conducting the review on its scheduled day rather than postponing and rescheduling it multiple

times. And a wife's reaction to her husband's vacation recommendation also depends on whether she believes she made the suggestion in a timely fashion or listened to her reactions to his suggestion.

How things are done is especially important to employees during times of organizational change. Regardless of the nature of the change (e.g., whether the organization is downsizing or growing), the *process* must include a remarkably similar set of attributes for employees to embrace the change. I will have a lot more to say about the process of managing change in a later chapter. For now, suffice it to say that the pathway leading to the result is very important to people over and above the result itself.

Process + Outcome, and Process × Outcome

You have probably heard the expression “adding insult to injury.” It is a reminder of how we care about the process in addition to the outcome. Sometimes we don't like what was decided (a bad outcome: the injury), and at the same time we don't like how the bad outcome was decided or communicated (a poor process: the insult). We usually feel quite resentful when both of these things happen at the same time. For example, if a friend breaks a date with me that I was looking forward to (bad outcome), and, moreover, didn't call me beforehand to say that he would be unable to meet me and I found this out when I called him to finalize the plans (bad process), I experience a double whammy. This is usually even worse than suggested by the expression “*adding* insult to injury.” Many studies show that a more accurate expression of what people experience when they get a bad outcome accompanied by a

bad process is “*multiplying* insult times injury.” Usually the product of two numbers (e.g., 3×3) is greater than the sum of those same two numbers ($3 + 3$). So if the bad outcome produces three units of pain and the bad process also produces three units of pain, the net experience is not six units of pain but nine units. An analogy from the field of pharmacology may be helpful here. When a patient is given a new prescription (Drug A), he may be advised to evaluate how it may *interact* with another one that he is already taking (Drug B). There may be few problems with taking Drug A and Drug B separately. However, if those same drugs are taken simultaneously they may have harmful effects. In like fashion, we often experience the combination of a bad outcome and a bad process as an especially toxic mix.²

Regardless of whether the combination of a bad outcome and bad process is best described as “adding insult to injury” or “multiplying insult times injury,” the experience of the process affects many things that employees and employers care about. For example, in the workplace the process affects employees’ motivation, which is comprised of several elements. Much like a vector, motivation has both direction and magnitude. To be motivated means that employees will do some things *and not others* (direction) and that they will put forth effort in performing those behaviors (magnitude).

One illustration of how the process can affect the direction and magnitude facets of motivation comes from the well-established finding that employees tend to be more motivated and hence productive when they work on a task with a specific and difficult goal in mind than if they have (1) no goal, (2) a difficult but nonspecific goal, or (3) a

specific but not difficult goal.³ For example, suppose you fell behind in your reading and decided to play catch-up one evening. Before starting to read, you set the challenging goal of reading sixty pages. What is likely to happen? Although you may not read as many as sixty pages, you are likely to read more pages than if you did not set a goal, or if you set a difficult but nonspecific goal (“as much as I can”), or if you set a specific but less difficult goal, say, thirty pages. Why do specific, difficult goals have this effect? For one thing, goals provide direction. If your goal is to read sixty pages, then you pretty much know what you need to do: read. Anything other than reading will not get the job done. In the words of Steven Covey (the author of *The Seven Habits of Highly Effective People*), if you “begin with the end in mind,” it is easier to know when you are (or are not) doing the things that will get you to where you want to go.

One situation in which people may be susceptible to losing focus is working at the computer. All too often, I go to my computer fully intending to accomplish the goal of making headway on some challenging activity, say, writing this book. (Note the nonspecific nature of this difficult goal: “making headway.”) Unfortunately, working at the computer lends itself to doing so many other things that are a mere few clicks away. For example, I sometimes tell myself that I will get to my writing “just after I check my e-mail.” Upon emerging from my e-mail, sometimes hours later, I often find that I no longer have the energy to do what I initially set out to do. On the other hand, if I make the challenging goal more specific (“write five pages”), I am much more likely to remain on task. Why? If I wander over to “just check my e-mail,” I know that this activity will be at cross-purposes with the specific goal I set for

myself. In short, specific, difficult goals provide direction; they make it harder to veer off course.

The presence of a specific, difficult goal also affects the magnitude or intensity of our efforts. This often happens when we see ourselves making progress toward the goal. The perception of getting closer to our goal increases the effort we put forth to achieve it, a tendency known as the “goal gradient effect.” Have you ever waited in a common area in a bank for the next available teller? My guess is that when you reached the point at which you were the next in line, each minute that you had to keep waiting felt interminable. Why? You were experiencing the goal gradient effect: the closer you were to your goal, the more motivated you were to get there, and therefore the more painful it was to *not* be there.

Of course, sometimes we may not be making progress toward the goal. We may have set a goal to read sixty pages, only to find two hours later that we have only read five pages, perhaps because we got involved in distracting alternatives (“just checking e-mails”). In this instance, the *negative* feedback may motivate us to redouble our efforts to get going. The point is that goals set the stage for us to receive feedback about how we are doing, and it is the receipt of the feedback that leads us to increase the intensity of our efforts.

In much the same way that specific, difficult goals affect what we do (direction) and the intensity with which we do it (magnitude), so does a high-quality process. Throughout the book, we will consider how the quality of the process influences both the direction and magnitude facets of motivation. For example, how things are handled influences whether people choose to behave ethically or unethically (direction). The quality of the process also influences how

much effort employees exert to further their organization's interests (magnitude).

What Goes into a High-Quality Process?

Assuming you are onboard with the idea that the quality of the process can make a big difference, let's try to delineate the essence of a high-quality process. When people say "the process was handled really well," what do they mean exactly? There are a few ways to depict a high-quality process, as illustrated in a classic field experiment Ellen Langer and Judith Rodin conducted in a nursing home. At the beginning of the study, the nursing home administrator told all of the residents in a warm and friendly way that the staff wanted them to have a good experience living there.

From that point on, the participants were randomly assigned to one of two groups, a high responsibility group and a low responsibility group. Those in the high responsibility group were told that they had a lot of responsibility in how they wanted to live their lives whereas those in the low responsibility group were told that the staff would be taking care of and making decisions for them. For example, each individual in both groups was given a plant. Furthermore, the two groups were told that they would have the opportunity to see a movie on one of two nights during the following week. Those in the high responsibility group were asked whether they wanted the plant (all of them did) and were told that it was up to them to take care of the plant however they saw fit. They also were asked to select which of the two nights they wanted to see the movie. Those in the low responsibility group were

given the plant (they were not asked if they wanted one) and were told that the staff would take care of it for them. Moreover, they were told which night of the week they would be viewing the movie.

It could be argued that the objective difference in how residents in the two groups were treated was relatively small. After all, both groups were told by the administrator that the staff wanted them to be happy. Whereas the high responsibility group made certain decisions for themselves, in the low responsibility group the same decisions were made for the residents by the no doubt well-meaning staff. However, the differential effects of how the two groups were treated were anything but small. In the short term (three weeks later), those in the high responsibility group were significantly happier, more active, and more alert relative to their counterparts in the low responsibility group. In the long term (eighteen months later), those in the high responsibility condition continued to be more active and alert, and moreover they were in better health and were even less likely to die, relative to those in the low responsibility group.⁴

There are two ways to talk about the quality of the process being higher when people were given responsibility than when they were not, and I will talk about both in this book. One way is to focus on *attributes of the process*. For example, the general thrust of the message given to the residents in the high responsibility group was that they can and should take more responsibility for their lives; this was not the case in the low responsibility group. A second way is to focus on the *experience* of those on the receiving end of the process. In this instance, those in the high responsibility group likely felt more of a sense of *control*

over their environments than did those in the low responsibility group. Either way, as we saw with the example of Jay Leno's departure from *The Tonight Show*, "simple" differences in process can have demonstrably large effects.

Attributes of the Process

A widely discussed area in the management literature is organizational justice, which refers to employees' beliefs about whether they are being treated fairly by their employers, as well as the causes and consequences of those perceptions. Initial research suggested that people evaluated fairness based on the distribution of outcomes.⁵ For example, in many situations it is only fair if rewards or benefits are doled out to people in proportion to their contributions. More recent evidence indicates that people also care a lot about the fairness of the process accompanying the outcome.⁶ But this begs the question: What do people have to perceive about the process for it to seem fair? I will have much more to say about the perceived attributes of a fair process in the next chapter, but for now consider the following examples of a process low in fairness. During a round of layoffs at a global asset management firm, employees were let go with virtually no warning and even less explanation. To make matters worse, they were not even allowed to return to the workplace to say their good-byes. Instead, they were called after-hours and told not to return the next day and that their belongings would be sent to them. One employee received her call while she was at her doctor's office and not even from her boss but from her boss's administrative assistant.

In a similar vein, consider this situation:

To some employees in Chicago, it seemed like a Halloween prank. But when they showed up on Saturday for work, they learned that it was a very real trick: their employer had fired them through a Robo call according to *The Times of Northwest Indiana*. [Robo calls use a computerized autodialer to deliver a pre-recorded message, which makes the message sound as though it is coming from a robot.] The workers received a message on Friday that they were no longer needed and were now out of a job. *The Times* reported that dozens of workers either missed the call or thought it was a prank, and so showed up to work anyway only to learn that their ID badges no longer functioned and to hear from security that they were out of a job.

A few days later the organization “explained” its actions as follows: “As part of our business process, we have temporarily adjusted our workforce numbers at the Chicago Assembly Plant by approximately 90 team members. Our goal, as always, is to return the workers back to their positions as soon as possible based on the needs of our business. We do not typically use Robo call to notify employees of layoffs. The plant elected to use Robo call in this situation because it is temporary in nature and we intend to recall all employees as soon as possible.”⁷

In yet another case, a European-based insurance company mistakenly sent a layoff notice to 1,300 employees when in fact the notice was intended for a single individual. Essentially 1,300 people received a terse e-mail telling them that their services were no longer needed. A much more humane way to communicate major news like this would have been to have it delivered by a person,

preferably someone respected by those on the receiving end. The dismissing (and dismissive) e-mail also rather sternly reminded people of their “obligations” to the company, which included retaining confidential information about its operations, systems, and clients. The final straw was the one in which the senior executive sending the layoff notice said, “I would like to take this opportunity to thank you and wish you all the best for the future.”

To its credit, the company quickly sent a second e-mail to the other 1,299 people explaining that the layoff notice they had just received was sent by mistake, along with an apology. But how would you feel if you were one of those 1,299 people upon learning the way in which the organization chose to deliver its layoff notice to one of your colleagues? Losing a job is painful enough, but does the process of losing the job have to be so unfair? Talk about multiplying insult times injury.⁸

The Effects on Those on the Receiving End

Another way to talk about the quality of the process, reflected in the subtitle of this book, is in reference to its effects on people. The behaviors we engage in, and how well we do so, depend on two things: how hard we try (effort, a facet of motivation) and how skilled or capable we are (ability). We usually need both, that is, to be willing and able, to make our way through life successfully. When someone is described as having great “potential,” it may be code for saying that s/he is not living up to that potential, probably due to a lack of effort. Or, alternatively, when people “get an A for effort,” it means that they didn’t perform well, probably due to a lack of capability. So here’s another way to define a high-quality process: it *engages* peo-

ple (for example, induces them to put forth a high level of effort) and/or it *equips* people (provides them with the resources they need to be successful). In later chapters I will elaborate on these points; among other things, getting people to put forth high effort requires knowing what they *want*.

Many of our encounters, both in and outside the workplace, occur in the context of ongoing relationships. Therefore, for a process to truly be high quality it needs to engage and equip people in both the short term and the long term. For example, when organizations downsize, in the short term they need to think through exactly how they will inform people that they are losing their job. A lot is at stake here. One study has shown that a powerful predictor of whether laid-off people will sue their employers for wrongful termination is how they felt they were treated when they were told that they were losing their job. If they were treated in a way that preserved their dignity and respect, they were very unlikely to sue; only one out of a hundred did. On the other hand, if they felt they had been treated disrespectfully in the course of hearing that they were losing their job, they were much more likely to sue; one out of every six people who had this type of experience sued. From the organization's perspective, that's a nearly seventeenfold difference in the likelihood of having to defend itself in a court of law, simply on the basis of how it treated people at the crucial moment of telling them that they were being laid off.⁹

Similar findings have emerged in studies of patients who have sued their doctors for medical malpractice. Doctors are not likely to be sued if the only factor under consideration is the patient's perception of how well or how poorly a certain medical procedure went. However, doctors

are much more likely to be sued when a patient perceives that the procedure went badly *and* the doctors demonstrated poor “bedside manner.”¹⁰ Remember the combustible mix of a bad outcome combined with a bad process? Here we see it again, in both organizational and medical settings; Jay Leno’s situation was not an isolated case.

The medical profession is beginning to recognize the importance of how doctors interact with their patients. The Association of American Medical Colleges (AAMC) recently announced plans to change the standardized test given to prospective medical students (the Medical College Admissions Test, also known as the MCAT) to include questions measuring people’s interpersonal competencies. According to Darrell Kirch, the president of the AAMC, “The public had great confidence in doctors’ [medical] knowledge but much less in their bedside manner. The goal is to improve the medical admissions process to find the people who[m] you and I would want as our doctors. Being a good doctor isn’t just about understanding science, it’s about understanding people.”¹¹

The notion that the quality of a process is defined by both its immediate as well as its longer-term effects also may be found in the literature on group behavior. The prominent group psychologist Richard Hackman has identified three criteria for team effectiveness: (1) *productivity*, such that the group’s output should meet or exceed the standards of those responsible for evaluating the output; (2) *satisfaction*, in that the members of the group should feel that their personal needs are being met; and (3) *staying power*, in which, as Hackman puts it, “the social processes used in carrying out the work should maintain or enhance the capability of members to work together on

subsequent team tasks.”¹² In like fashion, a high-quality process engages and equips people in the short term without sacrificing (and, in a best-case scenario, actually strengthening) their engagement and capabilities to perform in the longer term.

A Roadmap of What’s to Come

The nursing home study illustrates two complementary ways to talk about a high-quality process: by focusing on attributes of the process, which reside external to people on the receiving end of decisions, and by attending to the internal experience that the process elicits in people on the receiving end. Chapters 2 and 3 take the external approach whereas chapter 4 takes the internal approach. Chapter 2 focuses on an attribute that has received an enormous amount of attention in the past forty years: the perceived *fairness* of the process. We will consider the many aspects that go into what people perceive to be a fair process and how perceptions of process fairness combine with the outcomes people receive to influence their productivity, morale, and how they feel about themselves.

As important as the fairness of the process is, however, in reality it is part of a bigger set of things managers need to do when they are trying to engage and equip their employees to change, be it a large-scale change such as an organizational merger or a small-scale change such as when a manager is trying to persuade the people in her immediate work unit to adopt a new technology. As Mike Beer at Harvard Business School suggests, successful change requires managers to do the following: (1) get employees to be dissatisfied with the current state; (2) show employees

a feasible and better alternative to the current state, typically in the form of a compelling vision of the future state; (3) have a plan in place that moves employees from the dissatisfying current state to the better future state; and (4) deal with employees' resistance to the change.¹³ Chapter 3 presents a way for managers to think broadly about how to be more effective as agents of change, while simultaneously offering specific examples of best practices used in forward-thinking organizations.

In chapter 4 we consider the quality of the process based on what people experience. While not the complete story of human motivation, a significant chunk of what we strive for is to feel good about ourselves (esteem), to see ourselves as integrated and real persons (identity), and to feel that what we do matters (control).¹⁴ Certain organizational and managerial processes enable employees to experience a sense of esteem, identity, and control. Furthermore, the extent to which this happens begins when employees join the organization and recurs throughout their tenure in the organization. Recent research has shown that employees who experience esteem, identity, and control based on how they are treated respond with greater productivity, have higher morale, and, not trivially, have a greater sense of psychological well-being.¹⁵

Regardless of whether the quality of the process refers to its attributes (chapters 2 and 3) or to the psychological state it elicits in those on the receiving end (chapter 4), we would be remiss if we failed to consider the ethical dimension. If how managers treat their employees boosts productivity, morale, and well-being but also leads to lapses in morality, can we really call that a "high-quality process"? Hardly. Chapter 5 is reassuring in this regard. It discusses

how the elements of a high-quality process discussed in chapters 2–4 as well as other elements nudge those on the receiving end to behave with integrity. By the end of chapter 5, then, we will have identified a set of very actionable ways for managers to proceed that bring out the best in their employees.

The sixth and final chapter takes as its point of departure the observation that nearly everything discussed in the earlier chapters is “easier said than done.” Most managers readily agree with the recommendation that they try to ensure that their process is fair, to be the kind of change agent that Mike Beer advocates, to ensure they treat their employees in ways that allow them to experience esteem, identity, and control, and to not neglect the ethical dimension in how they treat their employees. Why, then, aren’t managers implementing these policies more often? To foreshadow the discussion in chapter 6, I will suggest that some of the barriers reside in managers’ motivation to enact a high-quality process whereas others relate to their ability to do so. As any good doctor will tell you, diagnosis should precede and inform treatment. Having identified some of the things that get in the way of managing with a high-quality process, we are in a much better position to offer solutions. After all, if this really is going to be the how-to book that it aspires to be, it needs to do more than provide a checklist of things for managers to do. It requires asking why they are not doing these things in the first place, that is, identify the obstacles and then offer guidance on how the obstacles may be overcome. In short, I want to help managers translate their *mental model* of a high-quality process into how they *actually behave* when making decisions and interacting with their employees. Moreover, by completing

20 ← CHAPTER 1

the surveys in the appendixes, readers also will have opportunities to assess where they stand along numerous dimensions related to the quality of their own processes in dealing with others, both in and out of the workplace.

Let's get started.