

Managing Employee Expectations

Part 1

Recently on the 'Britain's Got Talent' TV show, a somewhat frumpy lady marched on stage to conduct an audition in front of a large theatre audience and three sceptical judges. The judges rolled their eyes when, although already 47, she said she wanted to become a 'professional singer', but she had never had the right opportunity. She thought she could become like Elaine Paige, the well-known singing star. More painful looks and rolling of eyes from both the judges and the audience. But Susan Boyle went ahead, and started to sing 'I Dreamed a Dream' from *Les Miserables*.

Within ten seconds of starting, her singing had the whole audience on their feet cheering. The judges faces bore looks of utter astonishment - she really could sing! When the cheers had died down, judge Piers Morgan, who gave her a standing ovation, said : "That is the biggest surprise I have had in three years of being a judge on this show. That was stunning!" Amanda Holden, another judge, told Susan : "We were against you at the start, but it was a privilege just to listen to that". In no time, a clip from the show was on YouTube. In less than a week, the clip had had more than 47 million views, more than Mandela, the Pope and President Obama combined. Unbelievably, a previously unknown middle-aged spinster from Scotland was suddenly a star.

There are two big reasons why Susan's performance made such an impact on the public everywhere. Most people live somewhat ordinary, even anonymous, lives, and they felt it was great that an ordinary lady like Susan, with few physical advantages, who had had few good breaks in her life, could suddenly get the chance prove to the world that she was someone of real talent. They could really identify with that, they loved the whole idea, she deserved it.

The Power of Expectations

But the second big reason was : expectations. Had a nubile young lady come on stage looking the part, and sung the same song equally well, she would have gained great applause and judge approval, but her clip would never have appeared on YouTube. What made Susan unusual was that expectations of her performance were virtually zero before she started, and the gap between what she delivered and what was expected was just huge. That's what made her clip worth putting on YouTube, and the reason millions of people identified with her across the world.

That's the awesome power of expectations. It's not the performance alone that determines people's response, it's what was expected *before the event* that makes all the difference. That's a factor that's so important in life, and certainly in managing people, that every manager ought to know the essential principles, and put them to work on an everyday basis.

The point was well illustrated for me many years ago while working as a management consultant for a Company involved in computer manufacturing. Their American Managing Director complained to me : “I don't understand these British people, David. Last year I offered them a bonus, and they more or less threw it in my face” . He told me that the previous year the Company had been doing well, and he indicated via their notice board that as a gesture of thanks he planned to pay a bonus at Christmas.

I later discovered there had been much speculation among employees about exactly how much the bonus would be. Despite average wages then being only around £20 a week, rumour built on rumour until the expected bonus generally fell somewhere between £50 and £100. The Managing Director had not been thinking of anything like such a figure. When his special bonus of £10 appeared in pay packets just before Christmas, instead of creating general delight and gratitude, there was widespread disgruntlement and hoots of derision.

The Laws About Expectations

The lesson of this story is a fundamental one. If you fail to match or exceed your employees' expectations, even when you are giving money away, they will respond with complaints, ingratitude and even resentment. On the other hand, had our Managing Director kept his mouth shut - and I mean said nothing - but then put an *unexpected* £10 in each pay packet the week before Christmas with a personal note of thanks, good feelings about the Company would have been universal. It may seem perverse, but *exactly the same sum of money* will vary in its impact dependent on where expectations stand before the event.

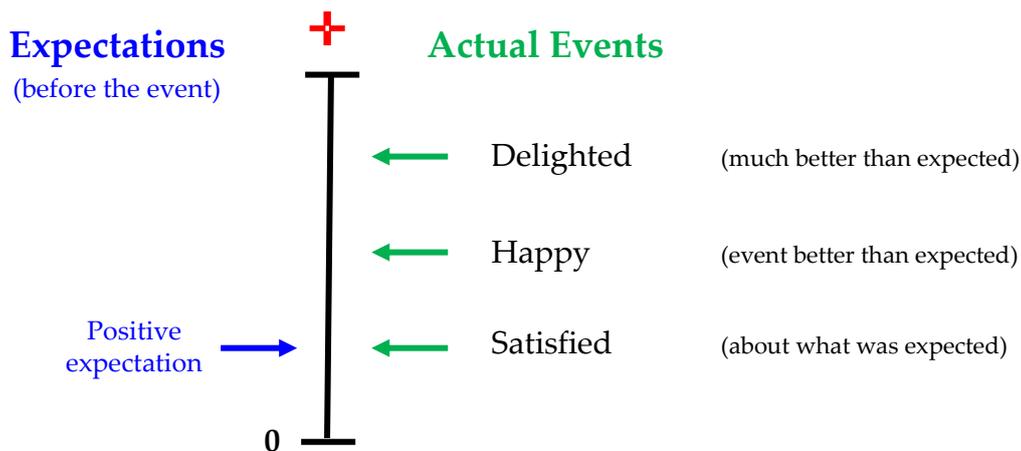
This M.D. had tried to do the right thing, he thought he was being generous. But when he got nothing but catcalls and looks of disdain for his trouble, he didn't know where to turn. The shock certainly shook his confidence and almost paralyzed his ability to manage. Had he been aware of the simple, but fundamental, laws of expectations, however, it would have been a whole different story.

These are the Laws of Expectations, which determine people's reaction to actual events :

- Events which *match* expectations will gain ready acceptance. Events which *exceed* expectations will produce increasing degrees of happiness and delight.
- Events which *fall short* of expectations will be met by expressions of dissatisfaction. Events which fall *well short* of expectations will produce increasing degrees of disappointment, complaint and protest.

The implications of these relatively simple laws are far-reaching for anyone involved in management, simply because of the frequency with which such situations occur, whether dealing with employees, customers, or colleagues (or even family and friends). Most of us have had an intuitive awareness about expectations, but conscious awareness of their importance and power can radically alter how effectively people are managed.

The basic principles about expectations and emotional responses can probably be best described diagrammatically using this simple scale.



The 'zero' at the bottom of the scale represents 'no previous expectations'. In that state, it is virtually a guarantee that any good thing that happens will come as a 'pleasant surprise' and therefore will be well received. Note : it doesn't have to be big to produce good feelings, it just has to be unexpected. Good feelings will always result where there's a *positive gap* between what was expected (nothing in this case) and whatever good thing then comes along.

Now let's take the example of office-worker Ginny who is about to meet her boss to have her annual performance appraisal. This is an event which always raises apprehensions, but Ginny has heard that 3% is the *going rate* for pay increases this year, so she has modest positive expectations before the meeting (the blue arrow on the left-hand side of the chart). Her boss points out areas he feels she could improve, but in general he congratulates her on her good work, and says he is awarding her a 5% increase in pay. That beats Ginny's expectations, so she is very happy. However, the boss has something more to say : Mr Walker, one of the department's senior staff, is retiring soon, and he has decided to promote Ginny into that position. Now, Ginny is quite delighted.

The fundamental rule to bear in mind is that it is the *size of the gap* between what was expected and what happens that determines how pleased the individual will be, not just the event itself. On the other hand, if Ginny's boss had dropped a few hints that she might be in line for a special increase, she might have presumed it was going to be 6% at the top of the range, in which case 5% would not have had much impact. Equally, if she had been promised Mr Walker's job earlier, rather than be delighted, she might start asking why she was not getting his level of salary straight away.

There are three key points which come out of this simple example :

- Where expectations are zero, even small pleasant surprises will please.
- The higher the expectations, the more difficult it becomes to please.
- So keep good news confidential, even secret, until you are ready to announce.

Taking the trouble to manage expectations can have a fundamental effect on employee attitudes and motivation towards their managers and their organization. So it is worth describing some of the practicalities that flow from these basic principles.

The Laws in Practice

As a general rule, don't let good news leak out. Rather keep it confidential so that when announced it comes as a pleasant surprise to 90% of your people. Small business entrepreneurs make a habit of using this device, though often unwittingly. For example, caught up in the general feeling of goodwill towards the end of the year, they may impulsively decide to send all their staff a turkey for Christmas. If it comes out of the blue, the staff begin to think the boss is marvellous.

Inevitably, however, he has raised their expectations in the process, so that everyone will begin to expect something similar the following year. If he sends everyone another turkey, he may be surprised to find that this time, instead of the usual delight and gratitude, people start complaining that the quality of their bird is not as good as last year, or that their colleague got a better one than they did . . . That's expectations for you.

But generally our seat-of-the-pants entrepreneur instinctively knows he has to do something different. Just when everyone is expecting a turkey, he surprises them all by buying everyone tickets for a Christmas show. Result : more good feelings, because the boss instinctively knows never to let expectations get entrenched by doing the same thing repeatedly. Unfortunately larger organizations tend to lose this kind of spontaneity which can be very effective in replenishing the tank of employee goodwill.

There are other times, however, when announcing in advance can have a positive benefit : for example, when a Company announces an increase in holiday entitlement. This can in fact generate two amounts of goodwill - one from the announcement itself, and another when the holiday is actually taken. In other words, the thoughts about a forthcoming holiday can give as much pleasure as the vacation itself.

I learned of one organization who announced in advance that it intended to mark a milestone in the Company's history by offering a gift to all employees : a wallet for the men, and a purse for the women. The news was unexpected and was widely well received. When the gifts finally arrived, employees were pleased with the quality, but they discovered the Company had forgotten to mention one thing . . . there was a £10 note inside every one. That's managing expectations.

Managing Negative Expectations

There comes a time in every manager's life when there is no alternative but to communicate bad news, and managing negative expectations needs quite different treatment. This is what we will be dealing with in *Managing Employee Expectations, Part 2*.

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