

Developing Interpersonal Skills

Quick Write



Think of someone in your life who has good “people skills.” Give an example of what that means for you.

More managers are fired for lack of interpersonal skills than for lack of technical ability—lack of ability to “do the job,” in other words. At least that’s what research suggests. And a survey of top executives at *Fortune* 500 companies found that interpersonal skills were the most important consideration in hiring senior employees. Does this surprise you? Remember that managers are people who get things done through others. And so interpersonal skills really are how they “do the job.” Without these skills, they are not managers at all. In this lesson you’ll read about the essential skills that make a manager effective.

Listening and Feedback Skills

Two of the most important sets of managerial skills are listening and feedback skills. As you read in the previous lesson, active listening can be hard work. But it’s essential to giving good feedback. And that, in turn, is essential to directing the performance of others.

Learn About...



- listening and feedback skills
- delegation skills
- managing conflict
- negotiation skills
- writing evaluations

Why Active Listening Skills Are Important

When you are a passive listener, your mind is like a tape recorder. If the subject and the speaker are interesting enough, you’re likely to get most of what he or she has to say. When you are an active listener, you take responsibility for getting into the speaker’s head. It’s hard work. If you spend a whole class session listening actively, you’re likely to be as exhausted as the teacher is afterward. You’ll have put as much energy into listening as the teacher has into speaking.

Active listening has four essential elements:

- intensity
- empathy
- acceptance
- willingness to take responsibility for completeness.

The first element is *intensity*. In active listening you can listen six times as fast as the other person talks. That means you have to do something constructive with that extra mental capacity as you listen to someone else. You need to listen intensely and discipline your mind to keep from daydreaming. And as you listen, you can mentally summarize what the person says and integrate it into what you already know.

The second element, *empathy*, involves putting yourself into the speaker's shoes. You strive to listen for what the other is trying to tell you, not what you want to hear. You must understand not just the speaker's words, but the speaker as a person, if that's possible. (In the case of a stranger, it may not be.) And you must put aside your own ideas and opinions of a situation to see it from the perspective of the other person. This will help you understand what the speaker is trying to say.

In the third element, an active listener has to signal *acceptance*. This can be hard. The speaker may say something that just doesn't match your view of things—but you already know your view of things. To get the benefit of learning by active listening, you need to suspend judgment, for the moment at least.

Vocabulary



- delegation
- conflict
- traditional view of conflict
- human relations view of conflict
- interactionist view of conflict
- functional conflict
- dysfunctional conflict
- devil's advocate
- negotiation
- distributive bargaining
- integrative bargaining
- performance evaluation



Active listening requires paying close attention and often showing empathy for what the speaker is saying.

Courtesy of Image100/Corbis

The final element of active listening is *taking responsibility for completeness*. That is, you work with the speaker to make sure you've got his or her whole message. If what you've heard makes no sense to you, that's a sign that you don't have a complete message. Keep asking questions until you hear something that sounds complete. Another good technique in this situation is to listen for feeling as well as for content.

Case Study

When Listening Is Crucial

In some situations, listening isn't just a useful interpersonal skill. It's a matter of life or death. The following is an excerpt of a transcript of a taped conversation between a military pilot and the control tower at the airport he was flying into. It should have been a routine landing. The tower operator wanted the aircraft to descend from 15,000 feet to 8,000 and to maintain a heading of 180 degrees.

Tower: "Turn right; keep your heading of 180 degrees. Descend and maintain 8,000 feet."

Pilot: "Right. Maintaining heading of 180 degrees. Am leaving 15,000 and heading for 2,000."

[Both the tower operator and the pilot were guilty of poor listening. The operator told the pilot to maintain 8,000 feet; the pilot said that he was heading for 2,000. Neither caught the discrepancy. The next exchange came about a minute later.]

Pilot: "Steady at 180 degrees and am passing 10,000 for 2,000."

Tower: "Roger. Your position is 12 southwest of airport; maintain 8,000 feet."

[Again there was poor listening. When the tower operator said, "Roger," he was giving the pilot the OK to leave an altitude of 10,000 feet and descend to 2,000. But then, curiously, the operator went on to restate that the pilot was to maintain an altitude of 8,000 feet.]

Pilot: "Roger, passing nine for two."

[Here again the pilot showed he did not listen when the tower operator told him to maintain an altitude of 8,000 feet. The next exchange came nearly two minutes later.]

Tower: "Your position is 19 miles southwest of airport. Turn right 200 degrees for a slight pattern extension."

At this point, radar and radio contact were lost. The plane crashed into the side of a mountain, killing both the pilot and copilot. They were, the Air Force report noted, "victims in a fatal accident, the result of poor listening in the air and on the ground."

Why Feedback Skills Are Important

Managers are no different from other people in one important respect: They don't like to deliver bad news. And so while many of them eagerly give their employees praise for their performance, many more have trouble giving negative feedback. They don't want to give offense, and they don't want to deal with their employees' emotions. They don't want someone to start yelling at them in their office. And they really don't want someone to cry.

But feedback—negative or positive—is too important not to get right. Over the next few pages you'll read a number of tips for giving feedback in a way that others will accept and benefit from.

The Difference Between Positive and Negative Feedback

People accept positive feedback much more readily than negative. That sounds like a “no-brainer,” but it's worth thinking about. Positive feedback tends to fit with people's self-image. Negative feedback tends not to. People tend to tune it out because it doesn't fit with what they think they know about themselves or with their other “data” about their professional performance. And yet negative feedback, if delivered properly, offers important learning opportunities. Managers and employees should both seek to make the most of such opportunities.

An important goal for managers, then, is to learn how to give negative feedback in a way that employees accept and learn from.

How to give effective feedback

Here are six tips for giving effective feedback. They are summarized in Fig. 2.1.

- **Focus on specific behaviors.** “You have a bad attitude” is too vague as a criticism. It doesn't help the one who receives it to do better. Likewise, “You did a great job” may be wonderful words to hear from the boss. But without more

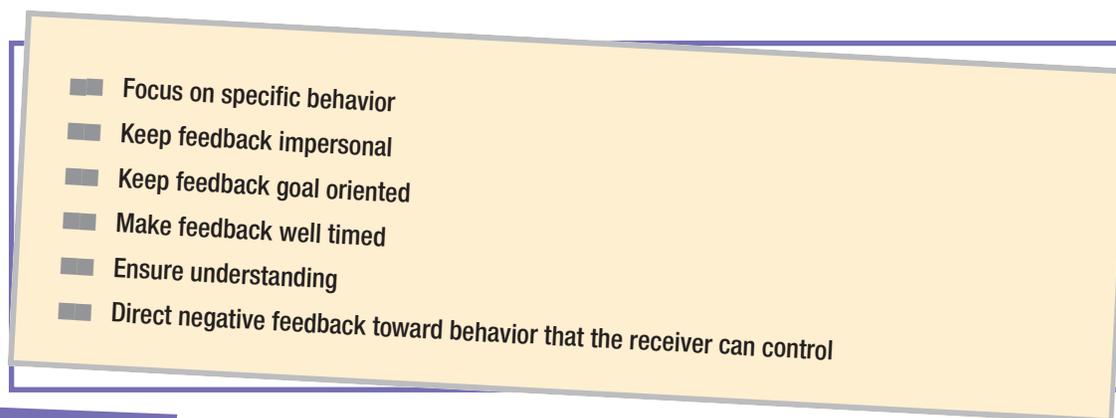


FIGURE 2.1

Suggestions for Effective Feedback

specific comments, the employee won't know just what he or she did right and won't be able to repeat the success.

- **Keep feedback impersonal.** Keep focused on job-related behavior, not personalities. Don't criticize people as stupid, lazy, incompetent, or whatever. This almost always backfires. It keeps someone from hearing the substance of the feedback and learning from it. Specificity helps. "You interrupted me three times with questions that weren't really urgent when you knew I was on the phone with a customer in Brazil" is much better, and probably more factual, than "You interrupt with inane questions all the time."
- **Keep feedback goal oriented.** Feedback is meant to help the employee. It's not about letting the boss blow off steam. If you just need to vent, wait until you're with a discreet friend or colleague. It's much better to frame comments to an employee—the "receiver" of your message—in terms of that person's own goals. For instance, "Here's something you can do that will help you do a better job with the quarterly sales spreadsheet."
- **Time feedback carefully.** Feedback is generally most helpful when it comes quickly after the incident that triggers the feedback. You don't want to bring up something days or weeks after the fact. But be careful not to act in haste, either. It may take time to gather complete information about an incident. You also don't want to react when you're upset yourself about something that has happened.
- **Ensure understanding.** A communication isn't complete until the sender knows the receiver has received the message and understood it. The feedback loop that you read about in the last lesson is critically important here. Having the receiver repeat the message in his or her own words is an excellent way for you to be sure the loop has been closed.
- **Direct negative feedback toward behavior that the receiver can control.** Was an employee late today because she failed to set her alarm clock—or because of a power failure on the subway? The former may be a legitimate point to criticize. But blaming employees for things that aren't their fault is simply unfair. It does nothing for your credibility as a manager.



Focusing on specific behavior helps keep workplace frictions impersonal. If people don't follow this rule, everyday tensions can get out of hand and lead to situations where no one wins.

Ryan McVay/Photodisc/Getty Images

Delegation Skills

Delegation is the assignment of authority to another person to carry out specific activities. This process is sometimes known as *empowerment*. As you can tell from what you've been reading about effective work teams, delegation is important in the workplace.

In today's global economy, decisions often involve complex technical issues and have to be made quickly. The person best equipped to answer the questions involved is

Air Force Tips for Better Feedback

- 1.** To give feedback that another person will willingly accept, you must develop a relationship of trust first. It's not enough to be the other person's boss. He or she must have confidence in your competence, sincerity, and fairness.
- 2.** Present your perceptions and opinions as such, and not as facts.
- 3.** Give feedback on specific relevant behavior, not on generalities, your own opinions, or your personal feelings toward the individual.
- 4.** When you're passing judgment, giving someone "a grade," so to speak, you should frame your comments in terms of established standards, probable outcomes, and ways to improve. Your personal opinions, likes, dislikes, and biases should not be a factor here.
- 5.** Feedback is pointless unless it helps someone do better. Praise for its own sake is valueless. Feedback should motivate, build self-confidence, or reinforce top performance. Negative feedback can help improve someone's performance. But if your negative comments will not lead to improved performance, keep them to yourself.
- 6.** Listen carefully. Repeat the other person's comments in your own words to make sure you've understood them correctly. Ask questions for clarification if necessary.
- 7.** Give positive feedback in a manner that communicates acceptance of the other person as someone worthwhile.
- 8.** Avoid "loaded" terms that produce emotional reactions and heightened defenses.
- 9.** Remember that feedback stops when communication stops.

more likely to be on the shop floor or at some other operating level, rather than in the executive suite. This pushes decision making down the corporate ladder, and that's one reason delegation is such an important issue in today's organizations.

Individual managers, who have to think about their own personal effectiveness, must know which activities to keep personal control of, and which to hand off to others. After waves of corporate downsizing, today's managers tend to have broader spans of control than their predecessors did. Today's managers are spread thinner, so they have to rely on those under them to handle decisions they once handled themselves. As you can imagine, all this involves communication with others, and that's why knowing how to delegate is a key interpersonal skill for managers (see Figure 2.2).

Why Delegation Isn't the Same as Abdication

Not everyone understands right away why delegation is a good idea. After all, some people say, isn't the point of being the boss that you get to make the decisions—to call the shots? Isn't delegating a form of giving up? There's a word for this kind of giving up—to *abdicate*. When a manager or a leader fails to use his or her power and authority, that's sometimes referred to as an *abdication* of responsibility.

But delegation, if done properly, isn't abdication of responsibility at all. It's a way to take a load off managers and free them for the tasks that only they can do. It's also a way to empower those to whom responsibility is delegated—a way of pushing opportunity down the chain of command.

The employees you delegate to will make mistakes. But that doesn't mean it's not a good idea to delegate. With effective delegation, more work gets done overall, even if mistakes happen. Some controls must be in place, however, to keep such mistakes to a minimum.

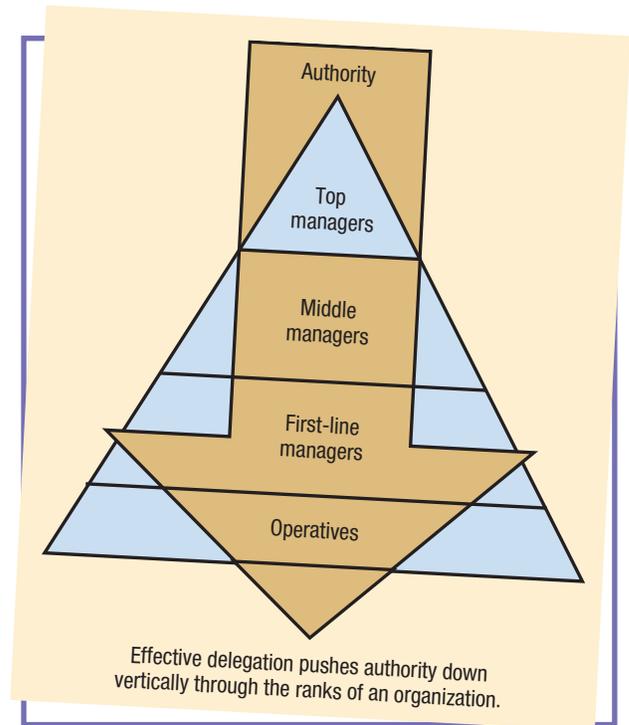


FIGURE 2.2

Effective Delegation

How to Delegate Effectively

You can look at Figure 2.3 for some ideas of what goes into a decision to delegate. Once you have decided to delegate an activity, the tips below will ensure the process goes smoothly.

- **Clarify the assignment.** Decide what you will delegate and to whom. Who is best suited to the task, and does that person have the time and motivation for the job? Once you've identified the person, the next step is a clear statement of the assignment. Are you tasking someone with getting pizza for the staff lunch on Friday? Or are you tasking someone with getting six mushroom pizzas and six pepperoni pizzas from Tony's and getting them to the break room by 12:30? Be clear about the task and the results you expect, along with other performance measurements, such as deadline. In general, you should specify the result you want and leave it up to the one performing the task to decide how to get it done.

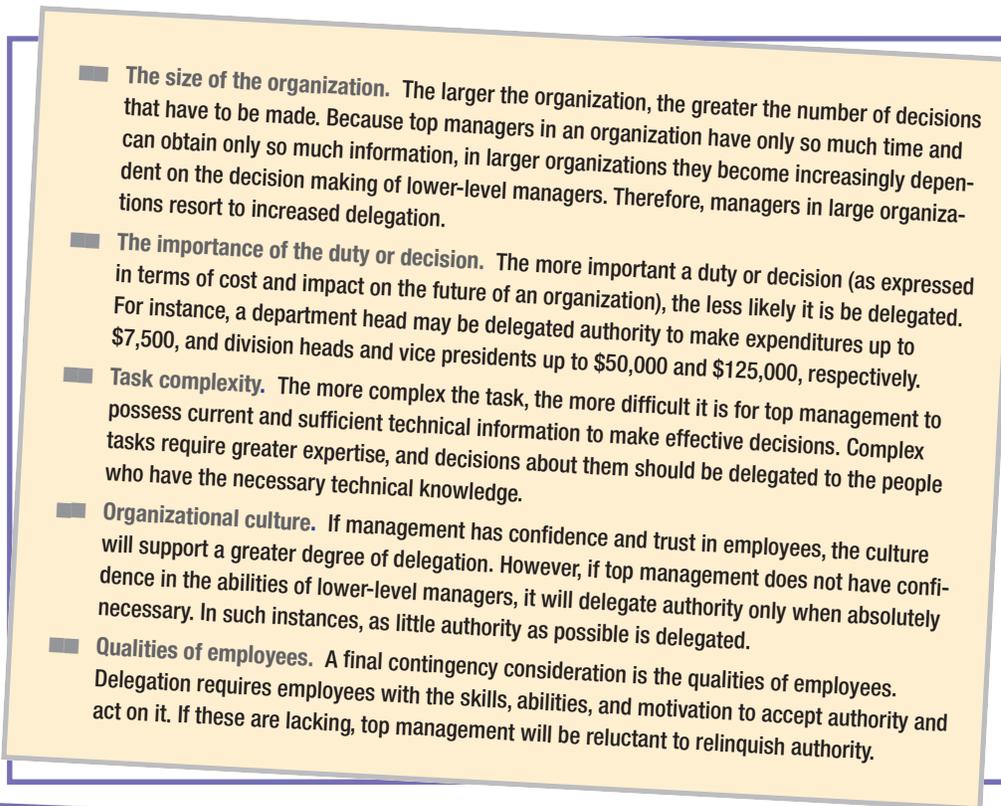


FIGURE 2.3

Contingency Factors in Delegation

- **Specify the employee's range of discretion.** What if your employee gets to Tony's and finds there's a special on cannolis—is it OK to get some for dessert? Every act of delegation has some constraints, and some flexibility, or wiggle room. You must communicate these clearly.
- **Let employees participate.** It's a good idea to give employees a voice in setting the task you will delegate to them. At the same time, you must remember that employees have an interest in seeming more competent and able to handle bigger tasks than they are. Allowing too much participation works against effective delegation.
- **Let others know that you've delegated.** You and the employee to whom you have delegated a task should have a clear understanding about it. But others need to know about the delegation, too. If you fail to communicate, the person with the task may fail to get necessary support from others or may be seen as exceeding his or her authority.
- **Set up feedback controls.** To delegate without setting up some controls is asking for trouble. Checking in periodically on how an employee is doing with the delegated task will highlight problems early on, rather than as the deadline approaches and tempers flare. But too much control undercuts employee initiative and can defeat the purpose of delegating.

Managing Conflict

Conflict management is another critical skill for a manager. One survey of middle- and top-level executives by the American Management Association found that 20 percent of the average manager's time goes to conflict management.

In this context, **conflict** refers to *perceived difference resulting in interference or opposition*. Two people see an issue differently, for instance, and there is conflict between them. One impedes the other's effort to do something in a particular way.

Note that the differences need not be real, but merely perceived. If Charlie in the sales department thinks Joe in accounting is trying to interfere with the sales team's proposal for a new way to present quarterly sales figures, there is a conflict. Note, too, that this definition of conflict includes everything from subtle forms of interference to overt acts such as labor action (strikes), riots, and even wars.

Three different views of conflict have evolved over the years that people have studied this topic. The **traditional view of conflict** is *the view that all conflict is bad and must be avoided*. This school of thought saw conflict as synonymous with violence and irrationality. This view prevailed in management literature from the late nineteenth century on through the mid-1940s.

At this point, another school of thought began to prevail, and continued until the mid-1970s. This was the **human relations view of conflict**—*the view that conflict is natural and inevitable and has the potential to be a positive force*. Advocates of this view saw conflict as something to be managed, since it couldn't be eliminated.

The **interactionist view of conflict** is *the view that some conflict is necessary for an organization to perform effectively*. This is the conventional wisdom today. The human relations view accepts conflict as inevitable, but the interactionist approach encourages conflict. A harmonious, peaceful, tranquil organization is all too likely to become static, apathetic, and stuck in a rut. It may not recognize the need to change and innovate. The interactionist approach, on the other hand, encourages managers to maintain a certain low level of conflict within their organization—to keep it viable, self-critical, and creative.

Can Conflict Be Positive and Negative?

The interactionists don't say that all conflict is good. Rather, they classify conflict as either good or bad, or functional or dysfunctional. **Functional conflict** is *conflict that supports an organization's goals*. **Dysfunctional conflict** is *conflict that prevents an organization from achieving its goals*.

It's not always clear which is which in the day-to-day operations of an organization. Is the dispute between two leading members of a company's new product team creative tension? Will it lead to a better product and so better fulfill the company's mission? Or is it just personality-driven bickering that keeps work from getting done—and may even drive talent away? It may be hard for even the most astute manager to tell.

Figure 2.4 describes the curve of conflict and organizational performance. The accompanying table describes the characteristics of organizations with either too much or too little conflict, as well as those in the “Goldilocks” position, which have it “just right.”

Styles of Handling Conflict

When conflict flares up to the point where it is clearly dysfunctional, managers have an opportunity to practice their skill at handling conflict. Researcher Kenneth W. Thomas has mapped out a set of five different strategies for managing conflict, each of them geared to a different kind of situation.

Thomas identified two dimensions by which to evaluate a situation. You start, he decided, by determining the other party’s intent. What does the other person mean by causing the conflict? Your response to the other person’s conflict-causing behavior depends on your *cooperativeness* or *assertiveness*.

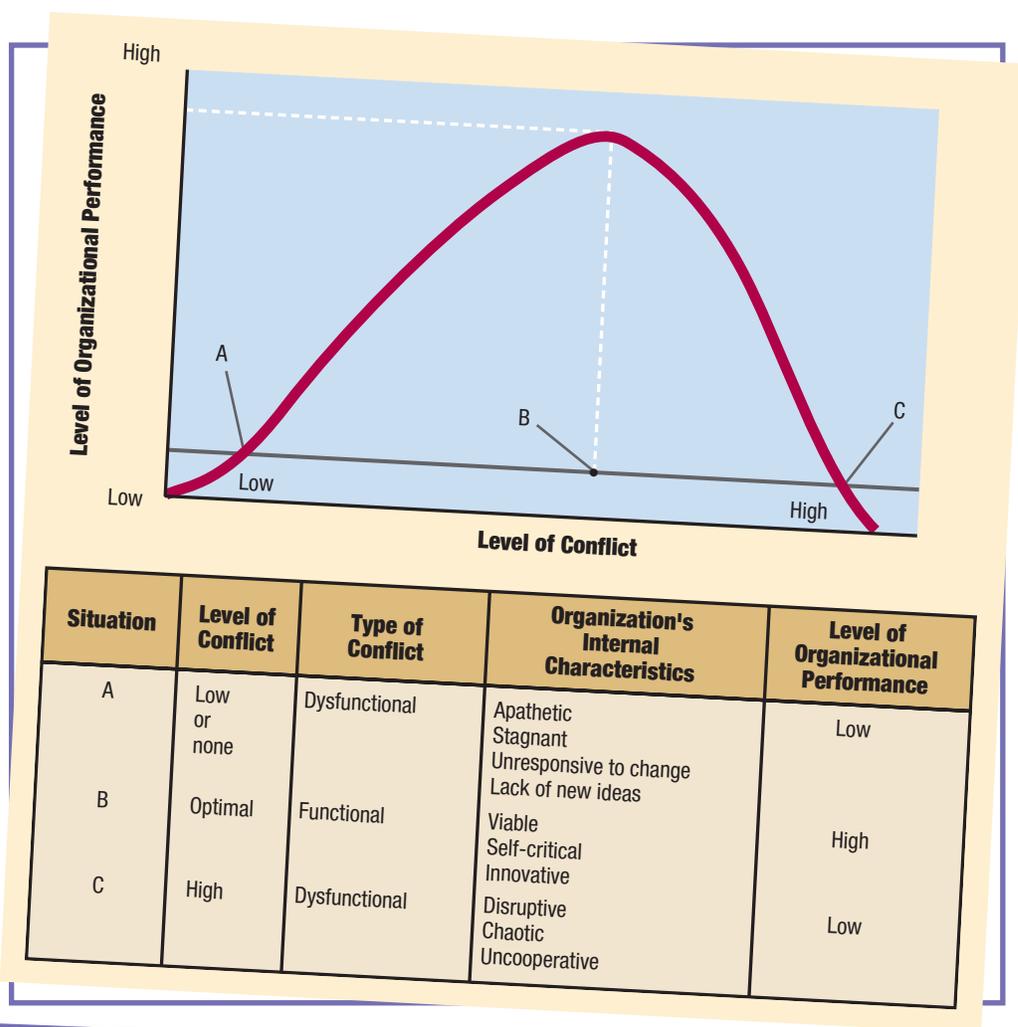


FIGURE 2.4

Conflict and Organizational Performance



What seems to be the problem here? There may be many things happening here, but it appears that these two people are having trouble communicating. Their inability to talk about their problem is causing a conflict.

Courtesy of G. Baden/Zefa/Corbis

Cooperativeness is the degree to which you try to resolve the conflict by satisfying the other person's concerns. Assertiveness is the degree to which you try to resolve the conflict by satisfying your own concerns.

Using these two measurements, Thomas came up with four different approaches to conflict, plus a fifth middle-of-the-road combination:

- competing (assertive but uncooperative)
- collaborating (assertive and cooperative)
- avoiding (unassertive but uncooperative)
- accommodating (unassertive but cooperative)
- compromising (in the middle on both assertiveness and cooperativeness).

Figure 2.5 details circumstances under which each of the five styles is most appropriate. Thomas saw that the situation would determine which technique was appropriate. For example, what he called *forcing* behavior is the strategy that fits with the “competing” approach. It is appropriate when a quick, decisive action is vital, or against people who take advantage of noncompetitive behaviors.

Collaboration is right for situations in which someone is trying to merge ideas from different people. *Avoidance* makes sense when the potential for disruption outweighs the benefit of resolving the conflict. *Accommodation* is the best choice when the issues are more important to others than to you, or when harmony and stability are what you care most about. Finally, *compromise* is the best approach for finding temporary

STRATEGY	BEST USED WHEN
Avoidance	Conflict is trivial, when emotions are running high and time is needed to cool them down, or when the potential disruption from an assertive action outweighs the benefits of resolution
Accommodation	The issue under dispute isn't that important to you or when you want to build up credits for later issues
Forcing	You need a quick resolution on important issues that require unpopular actions to be taken and when commitment by others to your solution is not critical
Compromise	Conflicting parties are about equal in power, when it is desirable to achieve a temporary solution to a complex issue, or when time pressures demand an expedient solution
Collaboration	Time pressures are minimal, when all parties seriously want a win-win solution, and when the issue is too important to be compromised

FIGURE 2.5

Conflict Management: What Works Best and When

solutions to complex issues when there simply isn't much time to do more than "split the difference" and when the two parties are about equal in power.

Deciding Which Conflict to Handle

As a manager you don't need to try to resolve every conflict. Some conflicts aren't worth your time and energy. Others may be simply too hard to manage. You'll need to learn to choose your battles, and to realize that it isn't a copout to leave some situations alone.

The Players in a Conflict

If you decide to manage a conflict, you must take time to get to know the players. Who are they? What interests do they represent? What are their values, personality, feelings, and resources? Learning the answers to these questions will help you manage the conflict.

The Sources of a Conflict

Conflicts don't just arise out of thin air. Research shows that they tend to fall into one of three categories:

- Communication differences
- Structural differentiation
- Personal conflicts.

Communication differences probably get more attention than they deserve as a source of conflict. The problem is that most people tend to think of "good communication" as shared views on whatever the issue is. That's not necessarily so. Often what appear to

be “communication differences” are really disagreements over different role requirements or conflict between unit goals, personalities, and value systems.

Structural differentiation refers to problems that arise because of the way an organization is set up. Conflict arises over goals, allocation of resources, and the like. These conflicts are built into the organization itself. They aren’t rooted in personality differences.

The third category, *personal conflicts*, causes a fair bit of tension within organizations. Sometimes a person’s personal quirks just get on someone else’s nerves, and conflict ensues. People have different work styles, work ethics, and value systems. This sometimes develops into bad personal chemistry that makes it hard for them to work together.

How a Manager Stimulates Conflict

As you read earlier, sometimes conflict can be a good thing within an organization. When and how does a manager want to stimulate conflict? There are no hard and fast rules, but managers who think their organizations could benefit from constructive conflict can ponder these questions. If the answer to one or more of them is Yes, it may be time to stir things up a bit.

- Are you surrounded by “yes” people?
- Are your people afraid to admit ignorance or uncertainty?
- Do decision makers focus so much on compromise that they lose sight of values and long-term objectives?
- Do managers believe in maintaining “peace at any price” within the organization?
- Do managers worry too much about hurting people’s feelings?
- Do managers feel that the organization rewards popularity more than performance?
- Do managers overemphasize consensus in making decisions?
- Do employees show high resistance to change?
- Is there a lack of new ideas?

There’s been much more research on managing conflict than on stirring it up. But several techniques for stimulating conflict may prove useful.

- **Signal approval for conflict.** You can tell employees that functional conflict has a place in the organization. But you must support this message by your actions.
- **Float trial balloons.** This technique is popular in Washington and goes back at least to President Franklin Roosevelt. Senior officials “plant” a story in the media by saying that a particular idea or appointment is under consideration. No one takes official, on-the-record responsibility for the story. But the trial balloon is a good way to test public reaction. If the public reacts in horror, the

story can be denied by the White House and the idea or appointment dropped. A business corporation or other organization can do something similar.

- **Plant ambiguous messages.** If word gets out on the grapevine that a department may be reorganized or that a layoff is imminent, plenty of conflict may be stirred up. Good ideas may come “out of the woodwork.”
- **Bring in outsiders.** Bringing in a management consultant to serve as an “agent of change” or to “reengineer the organization,” as you read about earlier, is likely to stir things up.
- **Restructure the organization.** Some managers find that playing around with the organization chart is a good way to stimulate useful conflict. Centralizing or decentralizing decision making, realigning work groups, and changing the relationships between work groups are some of the ways they do this.
- **Appoint a devil’s advocate.** A **devil’s advocate** is a person who purposely presents arguments that run counter to those proposed by the majority or against current practices. A devil’s advocate will often argue for positions or ideas that he or she doesn’t actually agree with, just to ensure that they are given full consideration and aren’t dismissed in a burst of groupthink. A devil’s advocate can often help a group reach better decisions. But the downside of appointing devil’s advocates is that their presentations take time—some would say waste time—and tend to slow decision making.

Negotiation Skills

Everybody knows that lawyers and car salesmen spend a lot of time negotiating. But so do managers. They have to come to terms on salaries for new employees, work out deals with their bosses, smooth out differences with colleagues, and so on. In this context, **negotiation** is a process in which two or more parties who have different preferences must make a joint decision and come to an agreement.

There are two basic types of bargaining strategies. **Distributive bargaining** is a zero-sum negotiation, in which one side’s gain is the other’s loss. **Integrative bargaining** is negotiation in which there is at least one settlement that involves no loss to either party. A simpler way to think of them is “zero sum” and “win-win” bargaining, respectively.

You’ve had experience with distributive bargaining if you’ve ever haggled over a price with someone. The zero-sum game is basically one of “split the difference.” The question is whether you split the difference right in the middle, or at some point closer to your end or the other person’s end.

Labor-management negotiations are a typical example of distributive bargaining. Both sides typically enter such negotiations with a target or goal that they want to achieve, and a resistance point—the lowest acceptable outcome. The area in between is the *bargaining zone*. Figure 2.6 illustrates these concepts.

Some people think that zero-sum bargaining is all there is to negotiation. But integrative bargaining is actually better for both sides. Here’s an example: A sales rep for a women’s sportswear manufacturer has just won a \$25,000 order from a particular retailer. But when the rep calls the order in, her company’s credit manager says the

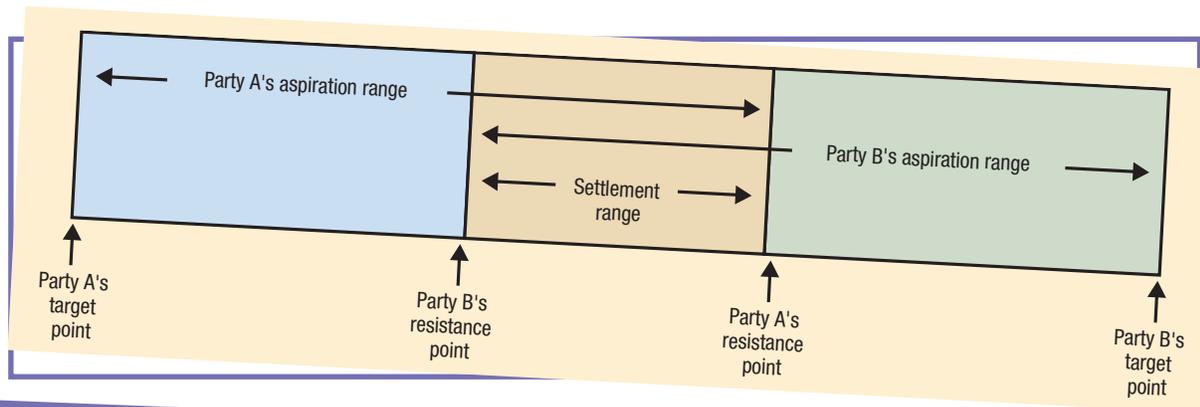


FIGURE 2.6

Determining the Bargaining Zone

firm can't approve the order. The shop has a record as a slow payer. Both the sales rep and the credit manager want to see the deal go through, but the credit manager doesn't want to get stuck with a debt he can't collect. They discuss options and come up with a deal—the sale will be approved, but the owner of the clothing store will provide a bank guarantee to ensure payment if the bill isn't paid within 60 days.

You can see why this win-win approach is preferable to simply splitting the difference. It tends to build long-term relationships and makes both sides, or all sides, feel like winners.

To get to win-win negotiating, though, takes trust, openness, and flexibility—and not every organization is up to that standard. So how do you learn to become a win-win negotiator? Read on.

Developing Effective Negotiating Skills

The following seven tips summarize the essence of effective negotiation:

Research the Other Side

Find out as much as you can about the person who will be sitting across the table from you in a negotiation. What are his or her interests? That isn't a question about whether the person likes baseball or stamp collecting. It means, what does the other person really want, and need, out of the negotiation? Whom does he or she have to make happy? A negotiation typically has to go back to the rank and file or the membership or some other base group for approval. Sometimes there's a formal vote, and other times it's an informal process. If you push too hard in a negotiation and get your opposite numbers to say yes to something that makes them look as if they "caved in," the base won't like it and the deal may collapse. That's not in your interest.

Begin With a Positive Overture

You may have seen news photos of negotiators smiling and shaking hands across the table at the start of important bargaining talks. Both sides know the value of

emphasizing the positive at the beginning, and stressing the things they agree on. It may be a good idea to make a small concession at the beginning of talks—to give the other side something it wants that you can give at little cost. This will give the other side an incentive to return the favor.

Address Problems, Not Personalities

Don't get distracted by the personal quirks of those you're negotiating with. Stick to the issues.

Pay Little Attention to Initial Offers

An initial offer is only a starting point in a negotiation. Both sides tend to start at the extremes and work toward the middle. (Have another look at Figure 2.6.)

Emphasize Win-Win Solutions

As you read earlier, win-win negotiations require levels of trust and openness that not every organization embodies. But you should also try to reach an agreement that's more than just splitting the difference.

Create a Climate of Openness and Trust

Here's another opportunity to practice the listening skills you read about earlier in this lesson. Skilled negotiators listen, ask lots of questions, focus their arguments on the issues at hand, and are less defensive in their discussions. They know how to avoid certain phrases that will irritate their counterparts. They avoid referring to their own "generous offer" or "fair price," for instance.

Be Open to Third-Party Help, if Needed

If you get stuck and find yourself unable to reach a deal, you might want to call in a neutral third party to help. The term for someone who helps two sides reach agreement is *mediator*. An *arbitrator*, on the other hand, is empowered to impose a settlement on two parties. *Conciliator* is a term for a less formal third-party relationship, someone who serves as a messenger, or perhaps helps interpret messages and clarifies misunderstandings.

Writing Evaluations

One of the most challenging specific tests of a manager's interpersonal skills is writing employee evaluations. This process goes by different names in different organizations. Some, like the Air Force, use the term *evaluation*. Other organizations call this a *performance review* or an *appraisal*. For the purposes of this discussion, these terms are all synonymous.

Whatever the term, the key elements are the same: A manager has to write a review of an employee's professional performance. Each time it happens, it's a potentially life-changing event for the employee. New opportunities, promotion, and salary raises, on one hand, may come out of an evaluation—but so may disciplinary action or even termination. If it's done properly, the evaluation should communicate both praise and constructive criticism in a way that will make the employee accept them and take them as guidance to higher levels of performance.

Evaluations must fulfill the organization's bureaucratic requirements—to use a particular format for the review, to follow a particular timetable, and so on. It's a potentially tense business on all sides. But if you handle them correctly, evaluations can be a great resource for individual progress and for helping the organization meet its goals as well.



Writing evaluations of employees and conducting evaluations interviews are tests of a manager's interpersonal skills.

Courtesy of H.G. Rossi/Zefa/Corbis

Purposes of Performance Evaluations

Management consultant Tom Peters says that organizations must be vigilant in keeping an eye on the things that matter for their success: "Performance appraisals should be ongoing, based upon a simple, written 'contract' between the person being appraised and his/her boss."

A **performance evaluation** is a written review of an employee's work. It should be more than just a "report card," however. It should be future oriented. It should identify areas of potential development for the employee.

Ideally, a formal written appraisal should be part of continuing discussion of employee performance. One school of thought, the “no surprises” school, holds that if employees are being managed well, they see nothing in their performance evaluations that they haven’t already heard directly from their supervisors.

Evaluations fulfill three main purposes:

1. The *administrative purpose* of an evaluation is to help managers allocate resources and make staffing decisions. Who should get a raise or a promotion? Who needs to be transferred—or terminated?
2. The *informative purpose* is to help employees know whether their managers think they are doing a good job, and what in their performance needs improving.
3. The *developmental purpose* of an evaluation is to serve as an action plan for further professional development. It shows the employee “where we go from here.”

The Appraisal Interview

For the manager, employee performance evaluation is a written exercise. But it needs to be a conversation, too. The written appraisal is the formal basis for a discussion between manager and employee known as the *appraisal interview*.

The interview, like the written evaluation, can be a test of the manager’s interpersonal skills. But handled well, it can benefit both the employee and the organization.

Preparing for the Interview

As the manager, you must set the time, place, and length of the interview in consultation with the employee. Then it is your job to prepare by making as many notes as possible, reviewing the written evaluation, and anticipating questions. You must be able to support every point in the written appraisal. You should review previous performance reviews and recall or review records of previous interviews.

A word on timing: It’s best not to schedule a regular annual or semiannual appraisal interview too soon after you have disciplined or reprimanded the employee.

Opening the Interview

If it’s the first time an employee has had an appraisal interview at the organization, you should discuss at the beginning the procedures for performance evaluation, both the written document and the interview.

If the review is overwhelmingly positive, it’s a good idea to share the good news at once. If the review is less positive, it may be good to save the overall rating for the end, after you have built a case for the assessment.

It’s important to keep the appraisal interview future oriented, focused on what the employee should be doing going forward. For one thing, it’s reassuring to the employee to hear that he or she does have a future with the organization, even if that

hasn't been in doubt. And by focusing on the future, you can cover items from past performance naturally in the context of how to do better next time or how to keep up the good work.

Jointly Directing the Interview

Either the manager or the employee can direct an appraisal interview, but in the ideal situation they direct it jointly. You should encourage the employee to talk about his or her own performance. This helps the employee take responsibility for shortcomings and areas needing improvement. On the other hand, you have to be clear on points where performance is unacceptable and where you must take corrective action.

A good way to look at the interview is as a joint problem-solving effort to which both parties must contribute. Both sides have the opportunity to practice their listening and feedback skills.

Ending the Interview

The interview ends when the supervisor has communicated all he or she needs to say, and the employee has had a chance to review any issues of concern. At another level, though, the conversation should never come to an end. The manager, in particular, should signal willingness to pick up the discussion of the employee's performance at any time.

CHECKPOINTS

Lesson 2 Review

Using complete sentences, answer the following questions on a sheet of paper.

1. What are the four essential elements of active listening?
2. What are six tips for giving effective feedback?
3. What are five elements of effective delegation?
4. What are three different views of organizational conflict?
5. What are five strategies for managing conflict?
6. What are the two broad types of negotiations? Which is better?
7. What are seven tips for effective negotiation?
8. What are the three purposes of performance evaluations?

Applying Your Learning

9. Describe an experience in which you or someone close to you had to negotiate for something. Which of the two types of negotiation was it? Was it an effective negotiation?
10. If you had been the pilot or the air traffic controller in the case study, what could you have done to prevent the accident?