

## PM WORLD TODAY – PM TIPS &amp; TECHNIQUES – JANUARY 2009

## Management by Fear: Does It Really Work?

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**Will it help to have your staff just a little afraid so they take you seriously? Learn the differences between ‘healthy’ and ‘unhealthy’ fear.**

Management is not a popularity contest. We’re hired to meet targets and expand markets—and that includes cracking down on inefficiencies and making sure standards, deadlines, and budgets are kept.

Experienced executives say that it helps to have your staff just a little afraid, just so they take your directives darn seriously. “I refuse to waste management time begging people to meet their deadlines,” says Boots, a creative director of a global advertising agency. “When I say I need something at 3 pm tomorrow, I expect it on my desk by 2:45.” Boots himself was trained by tough bosses. “I learned the most in jobs where I was forced to deliver under tough circumstances—when there was no excuse to fail.”

**But does management by fear really work?**

So why did fear work for Boots—when current research in industrial psychology clearly shows that management by fear actually reduces employee performance? Because Boots’ boss set clear expectations and delivered praise and punishment with logic and fairness. In other words, it was really management by objective, not management by fear.

The fear that paralyzes organizations and sends employees into nervous breakdowns are caused by management by personality. People become so terrified of their bosses that their job is less about meeting department goals or improving company profitability than keeping management happy.

Have you looked at some symptoms of “unhealthy” fear among employees? Here are some: They’re more concerned with following the rules than winning the game. How many memos and sanctions have you sent this year? Something is really wrong if you spend more time watching your employees than you do your competition. Decide which rules matter most to business performance—and take frequent lapses as a symptom of a deeper problem. “Your organizational structure may not suit your business’ needs, or your employees may not understand your directions or policies,” says Betsy Grozman, an industrial psychologist at the Center of Organizational Development.

They'd rather shut up than succeed. If your staff whitewashes mistakes, or echoes your opinion rather than give honest recommendations on a problem based on their expertise, then fear of punishment has officially killed what makes managers truly effective: an accurate grip on reality. "If you are really after your company's success, you will want employees to communicate well," says Grozman. "But if you are protecting your authority, then you will reward Yes-Men."

They don't know why you're angry. Many employees say they'd rather have a tough boss than an unpredictable one, who sets conflicting goals and plays favorites. "It's like being stuck in a ring with a bull," says one beleaguered employee, "you can't reason with him, and you can't escape."

### **Why fear makes your job harder**

The irony of management by fear is that while everyone is scrambling to keep you happy, you won't be. That's because the environment it creates actually lowers your employees' performance, creativity and problem-solving skills.

#### **1. Fear increases your own workload**

*Management myth: "I have to yell at them, they're too stupid or lazy to move on their own!"*

What really happens: Intimidation will get people to follow exactly what you say—but only what you say. They won't speak up if your opinion is the only one that matters. They won't take initiative if they feel unappreciated or are too terrified of making a mistake. You've created a culture where the only objective is to avoid your wrath—giving you the problem of solving everything on your own.

The alternative: Edward Deming, author of *Fourteen Points of Management*, says "driving out fear" encourages employees to share ideas and take a proactive stance towards problems. Just set clear objectives, performance appraisal systems, and reward mechanisms. Then they will want to help you (and HR can do the nasty job of firing them if they don't).

#### **2. Fear slows everyone down**

*Management myth: "If I yell at them, they'll work faster."*

What really happens: Unhappy workers can't work—ask Steven Stosny, PhD, an expert on anger management and emotional transformation who's been interviewed by *The New York Times*, *Wall Street Journal* and other national newspapers and magazines. He's seen people so distracted by resentment, anger or sheer terror that they misinterpret or forget data, and then take longer to make decisions. They also get sick more. Maybe because anxiety suppresses the immune system. Or, they'd rather have the flu than see you.

The alternative: If they're missing deadlines or quotas, resist the urge to yell. Ask them to do a problem analysis, identifying key areas for improvement and their action plan. You send the message that you believe in them, and since they proposed solutions, you can hold them responsible for making them happen.

### **3. Fear raises rebels**

*Management myth: "At least they'll be too scared to do any monkey business."*

What really happens: Oh, they'll do it—behind your back. You don't have their loyalty or respect, and they'll probably be more than happy to see you fired—even if it means sabotaging a department project. If they don't fight you, they'll fight each other, pinning blame on other people or departments whenever something goes wrong.

The alternative: One study (Mangoine and Quinn, 1975) suggests that improving worker happiness already averts many expensive corporate crises. They're less likely to sabotage, steal, do work badly on purpose, or spread gossip to cause trouble. If they respect you enough, they may even cover your back when you're under fire from your crazy boss.

### **4. Fear drives away the best people**

*Management myth: "Yeah, I terrorize them—but I pay them to take this abuse."*

What really happens: The really smart people can find a better job under a better boss, and they'll take your training and technology with them. You'll be left with those who have no other options, or are just hanging around for their monthly paychecks.

The alternative: Treat your people like trusted, respected colleagues and you earn their loyalty. It's cheaper than giving out country club memberships, and absolutely essential if you're offering a lower pay scale than your competitors. In fact, over 26 studies on the relationship of job satisfaction and performance show that supervisors and middle managers value company culture more than salary. Guess you can't buy dignity.

### **5. Fear creates Yes-Men**

*Management myth: "Of course I support diversity..."*

What really happens: ...as long as they all agree with you. Slemo Warigon, of the Management Advisory Services of Washington's Gallaudet University, says those who rule by intimidation usually promote people who "look, think, and act like them." By rewarding Yes-Mens you effectively kill creativity and thinking-out-of-the-box—and put the company's survival at risk. Think of all the top 100 corporations from the 1950's that lost their competitive edge because their managers refused to infuse their ranks with young, revolutionary thinkers. (If you can't even remember those corporations, that proves exactly the point.)

The Alternative: No one's saying that you should name a fresh graduate onto the Board of Trustees. However, trust employees to make decisions on their level rather than bully them into following your opinion. You shouldn't be micro-managing anyway.

So what's the bottom line? Fear may work, if it's a healthy pressure to meet a clear and objective business goal. The problem begins when fear of you distracts them from this goal—to the point that the emotions impair judgment, and actually change the game from 'kill the competition' to 'stay out of the boss' way.'

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