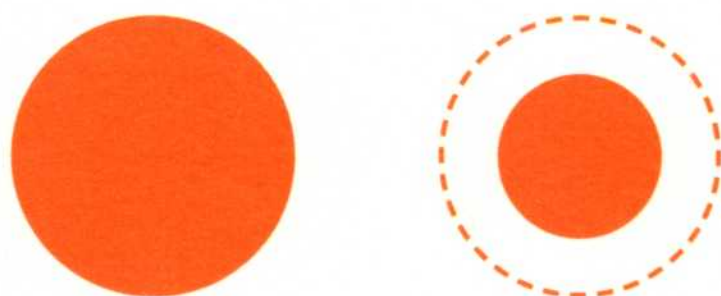


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PYGMALION IN MANAGEMENT



J. Sterling Livingston



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PYGMALION IN
MANAGEMENT

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In George Bernard Shaw's *Pygmalion*, Eliza Doolittle explains: "You see, really and truly, apart from the things anyone can pick up (the dressing and the proper way of speaking, and so on), the difference between a lady and a flower girl is not how she behaves but how she's treated. I shall always be a flower girl to Professor Higgins because he always treats me as a flower girl and always will; but I know I can be a lady to you because you always treat me as a lady and always will."

Some managers always treat their subordinates in a way that leads to superior performance. But most managers, like Professor Higgins, unintentionally treat their subordinates in a way that leads to lower performance than they are capable of achieving.

The way managers treat their subordinates is subtly influenced by what they expect of them. If managers' expectations are high, productivity is likely to be excellent. If their expectations are low, productivity is likely to be poor. It is as though there were a law that caused subordinates' performance to rise or fall to meet managers' expectations.

The powerful influence of one person's expectations on another's behavior has long been recognized by physicians and behavioral scientists and, more recently, by

teachers. But heretofore the importance of managerial expectations for individual and group performance has not been widely understood. I have documented this phenomenon in a number of case studies prepared during the past decade for major industrial concerns. These cases and other evidence available from scientific research now reveal:

- What managers expect of subordinates and the way they treat them largely determine their performance and career progress.
- A unique characteristic of superior managers is the ability to create high performance expectations that subordinates fulfill.

- Less effective managers fail to develop similar expectations, and as a consequence, the productivity of their subordinates suffers.
- Subordinates, more often than not, appear to do what they believe they are expected to do.

IMPACT ON PRODUCTIVITY

One of the most comprehensive illustrations of the effect of managerial expectations on productivity is recorded in studies of the organizational experiment undertaken in 1961 by Alfred Oberlander, manager of the Rockaway district office of the Metropolitan Life

Insurance Company. He had observed that outstanding insurance agencies grew faster than average or poor agencies and that new insurance agents performed better in outstanding agencies than in average or poor agencies, regardless of their sales aptitude. He decided, therefore, to group his superior agents in one unit to stimulate their performance and to provide a challenging environment in which to introduce new salespeople.

Accordingly, Oberlander assigned his six best agents to work with his best assistant manager, an equal number of average producers to work with an average assistant manager, and the remaining low producers to work with the least able manager. He then asked the superior group to produce two-thirds of

the premium volume achieved by the entire agency during the previous year. He describes the results as follows:

Shortly after this selection had been made, the people in the agency began referring to this select group as a “super-staff” because of their high esprit de corps in operating so well as a unit. Their production efforts over the first 12 weeks far surpassed our most optimistic expectations . . . proving that groups of people of sound ability can be motivated beyond their apparently normal productive capacities when the problems created by the poor producers are eliminated from the operation.

Thanks to this fine result, our overall agency performance improved by 40%, and it remained at this figure.

Pygmalion in Management

In the beginning of 1962 when, through expansion, we appointed another assistant manager and assigned him a staff, we again used this same concept, arranging the agents once more according to their productive capacity.

“The assistant managers were assigned . . . according to their ability, with the most capable assistant manager receiving the best group, thus playing strength to strength. Our agency overall production again improved by about 25% to 30%, and so this staff arrangement remained in place until the end of the year.

Now in this year of 1963, we found upon analysis that there were so many agents . . . with a potential of half a million dollars or more that only one staff remained of those people in the agency who were not considered to have any chance of reaching the half-million-dollar mark.

Although the productivity of the super-staff improved dramatically, it should be pointed out that the productivity of those in the lowest unit, “who were not considered to have any chance of reaching the half-million-dollar mark,” actually declined, and that attrition among them increased. The performance of the superior agents rose to meet their managers’ expectations, while that of the weaker ones declined as predicted.

Self-Fulfilling Prophecies

The “average” unit, however, proved to be an anomaly. Although the district manager expected only average performance from this group, its productivity increased significantly. This was because the assistant man-

ager in charge of the group refused to believe that she was less capable than the manager of the superstaff or that the agents in the top group had any greater ability than the agents in her group. She insisted in discussions with her agents that every person in the middle group had greater potential than those in the superstaff, lacking only their years of experience in selling insurance. She stimulated her agents to accept the challenge of outperforming the superstaff. As a result, each year the middle group increased its productivity by a higher percentage than the superstaff did (although it did not attain the dollar volume of the top group).

It is of special interest that the self-image of the manager of the average unit did not

permit her to accept others' treatment of her as an average manager, just as Eliza Doolittle's image of herself as a lady did not permit her to accept others' treatment of her as a flower girl. The assistant manager transmitted her own feelings of efficacy to her agents, created mutual expectancy of high performance, and greatly stimulated productivity. Comparable results occurred when a similar experiment was made at another office of the company.

Further confirmation comes from a study of the early managerial experiences of 49 college graduates who were management-level employees of an operating company of AT&T. David E. Berlew and Douglas T. Hall of the Massachusetts Institute of Technology examined the career progress of these managers over a period of five years and discov-

ered that their relative success, as measured by salary increases and the company's estimate of each one's performance and potential, depended largely on the company's expectations.

The influence of one person's expectations on another's behavior is by no means a business discovery. More than half a century ago, Albert Moll concluded from his clinical experience that subjects behaved as they believed they were expected to. The phenomenon he observed, in which "the prophecy causes its own fulfillment," has recently become a subject of considerable scientific interest. For example:

- In a series of scientific experiments, Robert Rosenthal of Harvard University

has demonstrated that a “teacher’s expectation for a pupil’s intellectual competence can come to serve as an educational self-fulfilling prophecy.”

- An experiment in a summer Headstart program for 60 preschoolers compared the performance of pupils under (a) teachers who had been led to expect relatively slow learning by their children, and (b) teachers who had been led to believe that their children had excellent intellectual ability and learning capacity. Pupils of the second group of teachers learned much faster.¹

Moreover, the healing professions have long recognized that a physician’s or psychi-