SECOND EDITION

MANAGING
the
UNMANAGEABLE

RULES, TOOLS, AND INSIGHTS FOR
MANAGING SOFTWARE PEOPLE AND TEAMS

MICKEY W. MANTLE | RON LICHTY

Praise for *Managing the Unmanageable: Rules, Tools, and Insights for Managing Software People and Teams*

Over 50 five-star reviews on Amazon.com (U.S.)!

"Lichty and Mantle have assembled a guide that will help you hire, motivate, and mentor a software development team that functions at the highest level. Their rules of thumb and coaching advice form a great blueprint for new and experienced software engineering managers alike."

　　—TOM CONRAD, CTO, Pandora

"I wish I'd had this material available years ago. I see lots and lots of 'meat' in here that I'll use over and over again as I try to become a better manager. The writing style is right on, and I love the personal anecdotes."

　　—STEVE JOHNSON, Senior Architect, Inlet Digital

"Managing the Unmanageable is a well-written, must-have reference book for anyone serious about building sustainable software teams that consistently deliver high-quality solutions that meet expectations. It is loaded with incredibly useful and practical tips and tricks to deal with real-life situations commonly encountered by software managers anywhere in the world. It tearlessly peels back the onion layers of the process of managing software developers—whether a handful of co-located programmers or thousands dispersed across the world—through a balance of battle-tested approaches and keen understanding of the various personalities and backgrounds of software team members. Finally, a book on software engineering that focuses on the manager's dilemma of making a team of programmers work efficiently together. Every single software manager should have it on their bookshelf."

　　—PHAC LE TUAN, CTO, Reepeet, and CEO, PaceWorks

"Becoming a great engineering leader requires more than technical know-how; Ron and Mickey's book provides a practical cookbook for the important softer side of engineering leadership, which can be applied to any software development organization."

　　—PAUL MELMON, VP of Engineering, NICE Systems

It's worth noting this about objectives: A by-product of having clearly defined objectives for your staff is the ability to clearly communicate a well-articulated method for measuring the performance of your team to your boss and others in the organization.

Performance Reviews

Programmers, almost to a one, desire feedback on their performance. This is best done daily by walking around or weekly in scheduled one-on-one meetings to let members of your staff know how you feel about the work they have recently completed.

However, such informal communication is not a substitute for periodic (at least annual) detailed, written performance reviews. The jury is out on performance reviews. Robert Sutton, author of *Good Boss, Bad Boss*,[12] claims that "if performance reviews were a drug, they would not receive FDA approval: about half the time they make things better; about half the time they make things worse." Nonetheless, most large organizations require them. Both of us have found our developers craving the feedback a written review can provide—and such reviews to be an excellent vehicle for encouraging good outcomes and discouraging inappropriate behavior and bad results. Additionally, a formal review provides a written record should performance become an issue and a performance improvement plan needs to be undertaken.

Giving regular feedback and formal performance reviews ranks right up there among your most important tasks as a manager of a programming team or department, right after hiring the right people. However, it also seems to be one of the most difficult tasks to do well and on time.

Have your annual reviews done on time. Nothing undermines your credibility as a manager more completely than pounding on your team all year to get their work done on time and then telling them you don't have their reviews done because you were busy. Whatever you were busy with likely wasn't managing your people, so you've just proven to them that they don't matter. Good luck motivating them next year.

—TIM SWIHART, Engineering Director, Apple Computer

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12. Robert I. Sutton, *Good Boss, Bad Boss: How to Be the Best . . . and Learn from the Worst* (Business Plus/Hachette Book Group, 2010).

One of the things that will help you to do this well is to have a system that you like, and that your direct reports understand and appreciate.

Anniversary Date Performance Reviews

The timing of a performance review is usually dictated by the company or organization. Often, the timing is on the anniversary date of the person's hire or the anniversary of their last salary action. Since some salary actions (such as promotions) can occur out of cycle, an anniversary date might change to that new date from the person's original or previous anniversary date.

Focal Point Performance Reviews

The problem with having performance reviews tied to anniversary dates is that the anniversary dates of your staff are sprinkled throughout the year, and you must

- Make time to complete performance reviews when they become due
- Find ways to complete each performance review fairly, taking into account comparisons with other direct reports for whom you are not currently completing a performance review

Because these two issues are not easy ones to deal with, many organizations implement "focal point performance reviews" that occur for all individuals at the same time each year.

Focal point reviews generally make it easier for managers to do a good job of completing and delivering performance reviews. The organization expects you to spend "significant time" preparing all your reviews, and so you budget time for them appropriately, something that seldom seems to happen with anniversary date reviews. Also, since you are evaluating all of your direct reports concurrently, it is easier to make a fair evaluation of each individual's performance. We are big advocates of focal point performance reviews and try to drive any organization we are in to adopt them if they have not done so already.[13]

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13. In start-up companies where cash is tight and financing tenuous, there can be a good reason to avoid focal point reviews. Since all the salary adjustments will be effective at the same time and for the same payroll period, they will place a sudden incremental burden on the finances of the company. One response from management may be to freeze salaries rather than proceed with all those salary increases. The occasional burden of anniversary date reviews will not likely trigger this response. Focal point reviews belong in more mature organizations.

Performance Review Process

Regardless of the timing of the review, the process is typically the same:

- Solicit feedback from the persons who will be reviewed regarding their performance since their last formal review.
- Make it a 360-degree review by soliciting feedback on their performance over the same period from their peers and teammates (inviting feedback from both more junior and more senior teammates is important).
- Write the reviews, incorporating peer and self-feedback into your own comments and direct feedback.
- Give your supervisor a chance to look over and approve the reviews; incorporate any suggestions you feel are appropriate.
- Send the completed formal performance reviews to those being reviewed so they can read it over in preparation for their meetings with you to discuss the feedback. Alternatively, present reviews during your meeting with each person, which ensures that questions regarding the review are discussed immediately and there is no room for misinterpretation. However, most managers and employees prefer there be time to absorb the content before meeting to discuss it.
- Meet with each person to be reviewed to present the performance review and discuss its content and the points you need to reinforce or areas the person wishes to discuss.
- Have the person sign the review. Allow the person to attach any comments they feel are appropriate, if necessary.
- Submit it along with any recommended salary action to your HR department for processing.

Having a good framework for crafting a formal performance review can make the task of completing a solid review much easier. Often, this framework is provided by your HR organization as forms to fill out, questionnaires to give focus to key performance metrics, and templates for the actual performance review. If you are lucky, your HR organization may have already adopted an online performance review system that will make the process of creating and administering your reviews much easier. If not, consider investigating one of these systems for your own use.[14]

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14. For a list of many of the Performance Appraisal Software systems available, see www.capterra.com/performance-appraisal-software.

Depending on the maturity of the organization, the effectiveness of your HR staff, and how in tune they are with the art of programming, the framework provided may or may not be very helpful.

Brøderbund had an exemplary HR staff, but even so, the programming managers found HR's review framework sorely lacking. "The performance metrics did not actually line up well with how we wanted to evaluate the performance of the programming staff." So Mickey, along with the directors of each of the programming departments, created a new framework that in form resembled HR's framework but refined the performance metrics to better address the needs and objectives of programmers.

He adapted the performance review framework further and used it as the basis for a customized performance review framework for the programming staff at Gracenote. You can find a generic version of this programmer-specific review framework in the tools for this chapter.

The most important rule, unless you're managing someone out—and sometimes even if you are: Deliver more positive than negative feedback. *Good Boss, Bad Boss* author Robert Sutton claims you have to give five positive messages to counteract each negative one.

Deliver more positive than negative feedback.

> —ROBERT SUTTON

But also remember this sage advice from Steve Jobs:

My job is to not be easy on people. My job is to make them better.

> —STEVE JOBS

Completing a solid performance review on time is an important accomplishment. Pat yourself on the back each time you complete one; this accomplishment is often underappreciated by your manager and all others except the people being reviewed. They will appreciate it, and it will contribute to their view of you as an excellent manager.

Contractors: No Performance Reviews Necessary

For work-for-hire contractors (that is, individuals who are contracted to perform a specific job or project for direct compensation), no performance review is necessary. Because you can send them home at any time, each

payment they receive for their work represents a mini performance review. So keep a close rein on all your work-for-hire contractors. If they are performing well and delivering on their milestones and deliverables, keep them on and reinforce their performance verbally or even in writing. But at the first sign of problems with their work, dismiss them or give them a very short time (one to two weeks max) to improve their work. They work "at your pleasure" and must continue to deliver successfully to enjoy that privilege. Often, you pay a premium for their expertise or contracting flexibility, so don't feel bad about dismissing contractors at a moment's notice. As mercenaries, they understand this characteristic of their work.

For independent contractors with whom there is a deeper relationship, you will gravitate toward treating them like employees. However, be aware that there are state and federal laws that prohibit you from doing long-term staffing with contractors who are treated as employees. Most companies have rules that prohibit hiring independent contractors for more than six months without converting them to full-time employees. There are existing legal precedents where contractors who were treated as if they were employees for an extended period of time have been awarded back pay for benefits and other compensation. Be sure you understand the "20 Rules of Contracting"[15] that define the difference between employees and contractors.

Contracting through a services agency usually avoids the concerns about treating contractors as employees. Contractors hired in this way are employed by the services agency, to which you pay the consulting fee, which is in turn disbursed to the contractor as salary. There are many services agencies around that are all too happy to supply contractors for long-term services. These agencies may charge significantly more to broker the contractors' services (typically 20 percent or more) than you would pay if you were hiring them directly as independent contractors. This is a viable option for many organizations, to ensure that issues do not arise from hiring independent contractors.

Be conscious of when you are using contractors instead of expanding your headcount. A later section will discuss organizational thinking and staffing that can influence these decisions.

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15. The IRS uses 20 standard questions as guidelines to determine whether a person is a full-time contractor or an employee. If your contractor does not meet a majority of these provisos, you may be in danger of assuming the legal liability for an employee. And that may become a problem lying in wait for you. Guidelines for determining whether a person is an independent contractor or an employee are contained in IRS Publication 15-A, *Employer's Supplemental Tax Guide*.

A special case to pay attention to is offshore contracting. Many companies now retain extensive technical resources in India, China, Eastern Europe, and elsewhere that are contracted through a company that specializes in providing technical resources in a "captive" fashion. By captive, we mean the offshore technical staff is dedicated and working directly for you and under your direction "as if they are employed by your company." Many of these offshore arrangements include a clause whereby the offshore technical staff can become your employees at some mutually agreed-upon time and for an agreed-upon fee.

In captive offshore contracting, the contractor relationship is minimized in an attempt to integrate the offshore staff into your organization. The challenges of time, distance, and culture are big enough alone without adding artificial barriers by treating them as work-for-hire contractors. Performance reviews for these offshore technical staff will likely fall to their local management. But do not lose the opportunity to provide the bulk of the input to these performance reviews. You are paying the salaries and should have a large say in who is judged as performing well and who is not. Make sure you are aware of when the performance reviews are given (anniversary or focal point), and make sure you provide timely feedback on performance to their managers and to them directly.

Know When to Cut Your Losses

We believe that you should err on the side of dismissing anyone who is not performing well or who demonstrates a disruptive influence on the organization. But with rare exceptions, the first step is not firing.

We always follow due process for dismissal, giving the programmer a chance to turn a situation around. But when it becomes clear that a programmer is not going to make a turnaround and become an acceptable performer, you should move as quickly as possible to dismiss them.

Ron learned a corrective intervention process—the first step in dealing with a problem employee—from management coach Marty Brounstein, who wrote a book on it.[16]

Be forewarned: Intervention takes a lot of time that managers never have—a lot of time for preparation, for the meeting itself, and for follow-up. But Marty claims, and our experience reinforces, that if the intervention is

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16. Marty Brounstein, *Handling the Difficult Employee: Solving Performance Problems* (Crisp Publications, 1993).