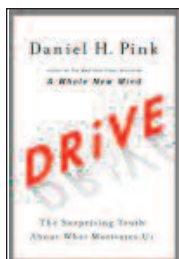




BEYOND CARROTS AND STICKS: THREE KEYS FOR MOTIVATING PERFORMANCE

BY JANICE MOLLOY



Drive:
The Surprising Truth
About What
Motivates Us
by Daniel Pink

Daniel H. Pink's latest book, *Drive: The Surprising Truth About What Motivates Us* (Riverhead Books, 2009), couldn't come at a more apt time. As the outcry over exorbitant bonuses for Wall Street traders and executives rises yet again, Pink has turned to science to learn what truly compels people to perform their best. He found that a focus on financial rewards can lead to shortcuts, unethical behavior, and short-term thinking—the kind of attitudes and activities that contributed to the recent global financial crisis.

Research shows that “carrots and sticks” can still play a role in motivating performance of routine tasks that don't demand much creative thinking. But in a work environment that requires

innovation, self-direction, and advanced problem-solving skills, external incentives actually undermine people's ability to come up with novel solutions to complex challenges. In addition, Pink notes, “In environments where extrinsic rewards are most salient, many people work only to the point that triggers the reward—and no further.”

Pink has found that the key to personal and organizational success in today's context is drawing on people's higher instincts: our drive for “(1) *Autonomy*—the desire to direct our own lives; (2) *Mastery*—the urge to get better and better at something that matters; and (3) *Purpose*—the yearning to do what we do in the service of something larger than ourselves.” A genuinely motivating work environment provides adequate and fair compensation; a congenial atmosphere; a sense of autonomy over what, when, how, and with whom people do their work; opportunities to develop mastery; and duties that relate to a larger purpose.

So what practices can, in Pink's words, “strengthen our companies, elevate our lives, and improve the world”? One example he offers is from the Australian software company Atlassian. Once a quarter, engineers are given 24 hours to work on any software problem they want, as long as it isn't part of their regular jobs. The company calls these “FedEx Days,” because the goal is to deliver something overnight. The result: Employees have fixed countless long-term software glitches and developed numerous new products.

Google has a similar tradition, in that engineers spend one day a week working on projects that aren't necessarily in their job descriptions. The company reports that half of its new

products got their start in the 20 percent time, including its popular Gmail and AdSense applications.

Online shoe retailer Zappos has injected autonomy into the traditionally rigid, routine work of the call-center employee. Unlike their peers in other businesses, Zappos workers can use their own discretion in solving customers' problems. They aren't required to follow a script or limit their time with a buyer. As a result, the turnover rate at Zappos is exceptionally low, and its customer-service scores are comparable to those of high-end companies such as the Ritz-Carlton.

Clearly, as Pink reports, “Companies that offer autonomy, sometimes in radical doses, are outperforming their competitors.” And that's the bottom line of *Drive*—by using what research can teach us about human motivation, we can create both more humane and more effective workplaces.

We can also create more ethical ones. When people are driven by intrinsic motivators, they are less likely to cut corners or pursue short-term gains at the expense of long-term value creation. So, how can we get our financial leaders to take these lessons to heart? ■

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TEAM TIP

Build mastery by joining with others to conduct regular “Do-It-Yourself Performance Reviews.” At the beginning of the month, articulate your learning and performance goals for the next 30 days. At end of month, ask yourself where you are making progress, where you are falling behind, and what tools and knowledge you need to do better.

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