

Employee Motivation A Powerful New Model

Joseph Chung
AM Journal Club
22 Oct 2011

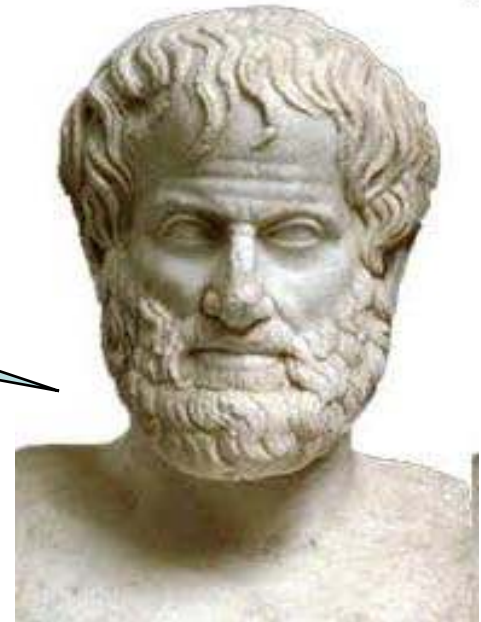
Motivation

- *"the psychological feature that arouses an organism to action;" and "the reason for the action."*

What motivate us as human being?

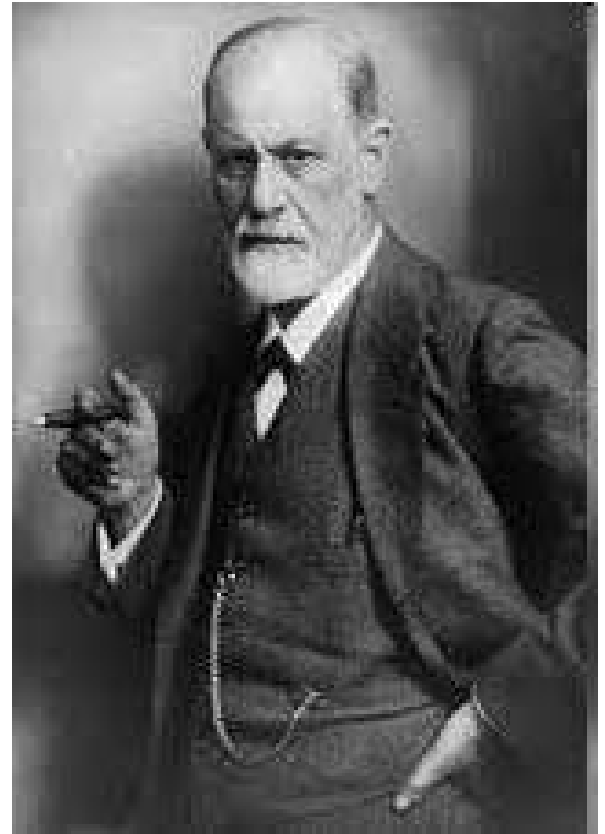
- It was "the real or the apparent good" of some anticipated consequence, or image of "what is to come" derived in "reference to what is present," that simulated a living organism to pursue it (if positive) or avoid it (if negative).

*the thinking soul images
serve as if they were
contents of perception..."*



Aristotle

The "pleasure principle" as the primary mechanism of motivation. Organisms are driven to "seek pleasurable experiences" and "avoid pain;"



Sigmund Freud

Hierarchy of Needs



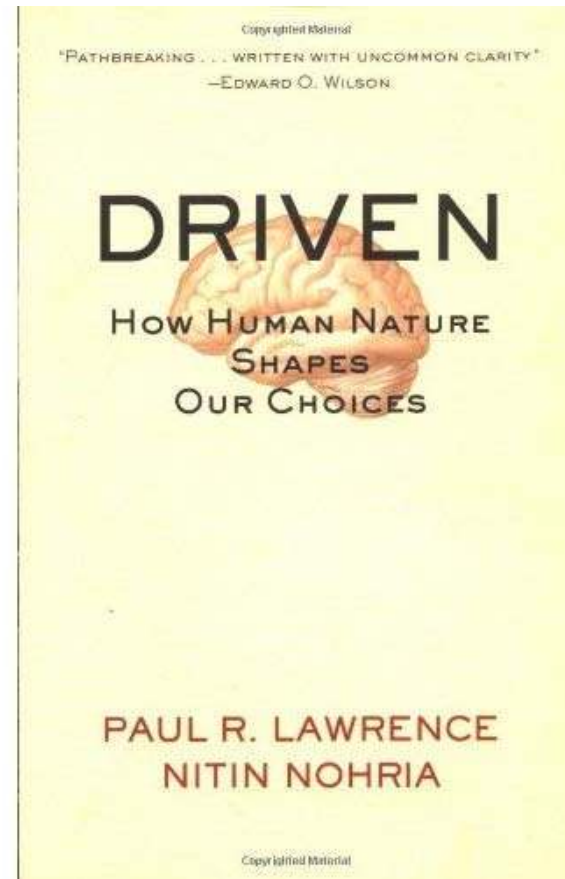
Abraham Maslow



But what actions can managers take to satisfy the four drives & increase their employees' overall motivation?

Driven: How Human Nature Shapes Our Choices

- Paul R. Lawrence
- Nitin Nohria
- 2002
- HBR July-Aug 2008



Two studies....

- Survey on ...
- 385 employees of two global business (financial services giants & a leading IT services firm)
- Employees from 300 Fortune 500 companies

Overall Motivation

- Engagement
- Satisfaction
- Commitment
- Intention to quit

Engagement

- Energy, effort & initiative employees bring to their jobs



Satisfaction

- The extent to which they feel that the company meets their expectations at work and
- Satisfies its implicit and explicit contracts with them



Commitment

- The extent to which employees engage in corporate citizenship



Intention to quit

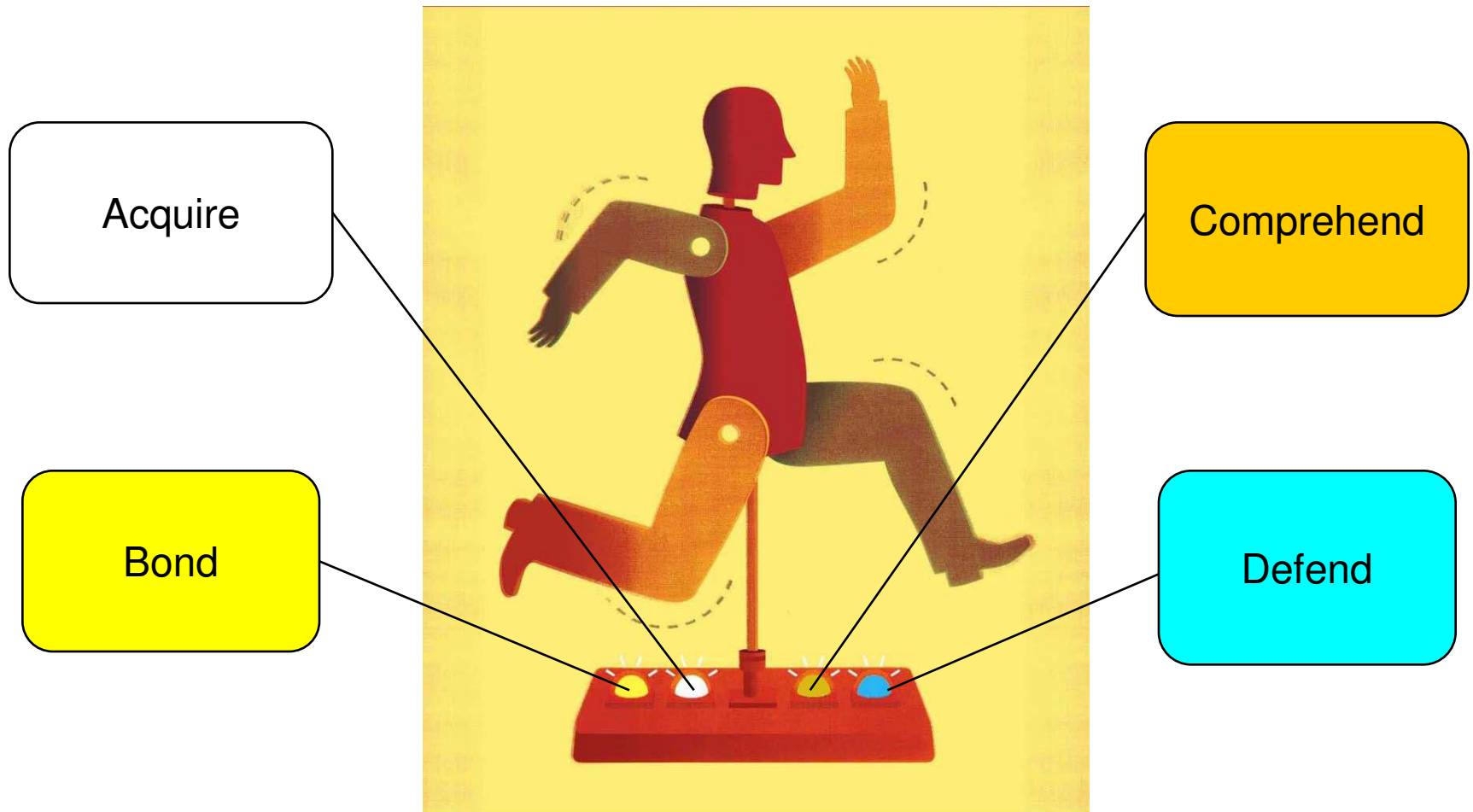
- The best proxy for employee turnover



Results

- Explains about 60% of employees' variance on motivational indicators

4 Major Drives (ABCD)



Acquire

- Obtain scarce goods



Acquire

- Physical goods, e.g. food, clothing, housing, money
- Experience, e.g. travel, entertainment
- Improved social status, e.g. promotion, a corner office, a place on the corporate board
- Bolster our sense of well-being

Acquire

- Relative (always compare what we have with what others possess)
- Insatiable (always want more)



Bond

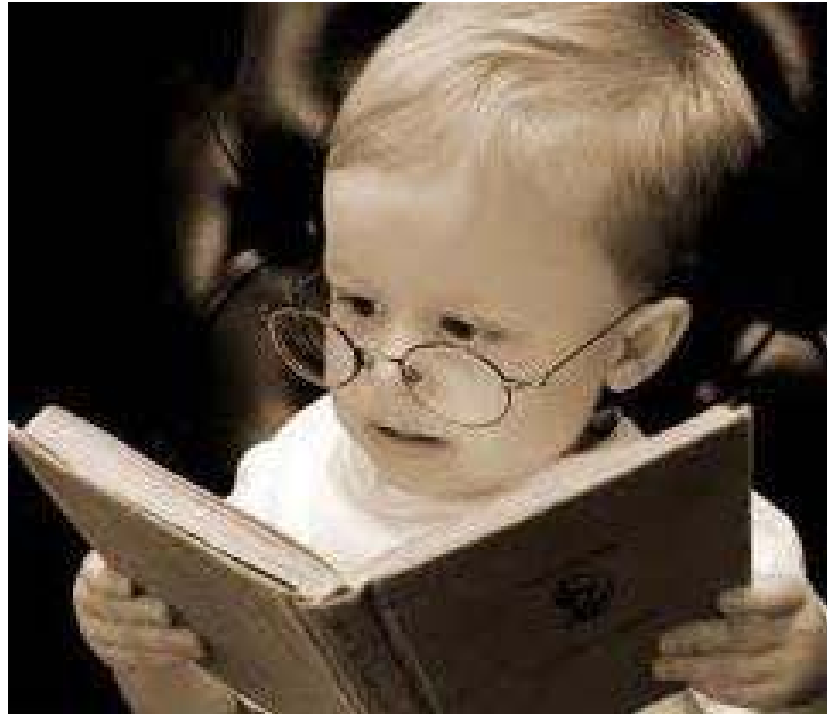


- Form connections with individuals and groups

Bond

- Extend that connection from their parents, kinship group, or tribe to
- Organizations, associations and nations
- Associated with love & caring
- Loneliness, anomie
- Feel proud of belonging to the organization
- Loss morale when the institution betrays them
- Employees' ability to form attachments to larger collectiveness, sometimes leads them to care more about the organization than about their local group within it.

Comprehend



- Satisfy our curiosity
- Master the world around us

Comprehend

- Accounts for meaningful contribution
- Make sense of the world, to produce theories and accounts (scientific, religious, cultural)



Comprehend

- Motivate by jobs that challenge them & enable them to grow & learn





- Demoralize by monotonous task
- Talented employees often leave their companies to find new challenges elsewhere

Defend



- Protect against external threats
- Promote justice

Defend

- Defend ourselves, our property, accomplishments, our family, friends, ideas & beliefs against external threats.
- A quest to create institution that promote justice, with clear goals & intentions; allow people to express their ideas & opinions
- Sense of security & confidence
- Fear & resentment
- People's resistance to change

Results

- Bond – employee commitment
- Comprehend – employee engagement
- The whole is more than the sum of its parts

- Poor showing on 1 drive substantially diminishes the impact of high scores on the other three
- E.g. Nardelli – Home Depot



- Just pay your employees a lot & hope they'll feel enthusiastic about their work in an organization where bonding is not fostered, or work seems meaningless, or people feel defenseless.
- People bond as a tight-knit team when they are underpaid or toiling away at deathly boring jobs.



To fully motivate your employees,
you must address all four drives.

The Organizational Levers of Motivation

1. The reward system
2. Culture
3. Job design
4. Performance-management & resource-allocation processes



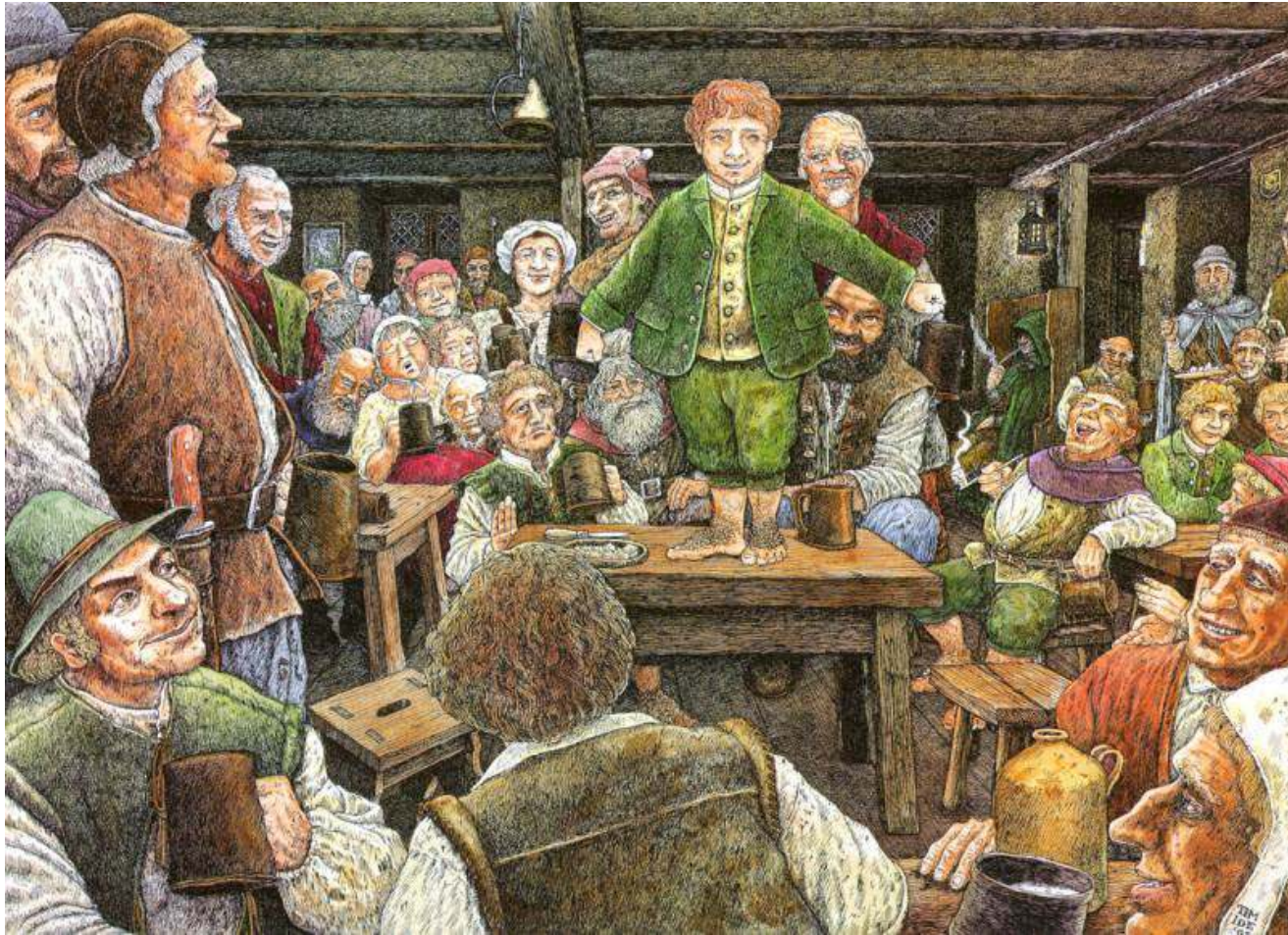
The reward system

The reward system

- Drive to acquire
- Tie reward clearly to performance
- Sharply differentiate good performers from average and poor performers
- Give the best people opportunities for advancement.
- e.g. NatWest after acquired by the Royal Bank of Scotland; reward good performance over average performance



Culture



Culture

- Drive to bond
- Engender a strong sense of camaraderie
- Promotes teamwork, collaboration, openness & friendship
- Example: NatWest – well-defined cost-savings & revenue-growth projects; executive meets every Monday morning

Job Design

- The drive to comprehend
- Designing jobs that are meaningful, interesting & challenging

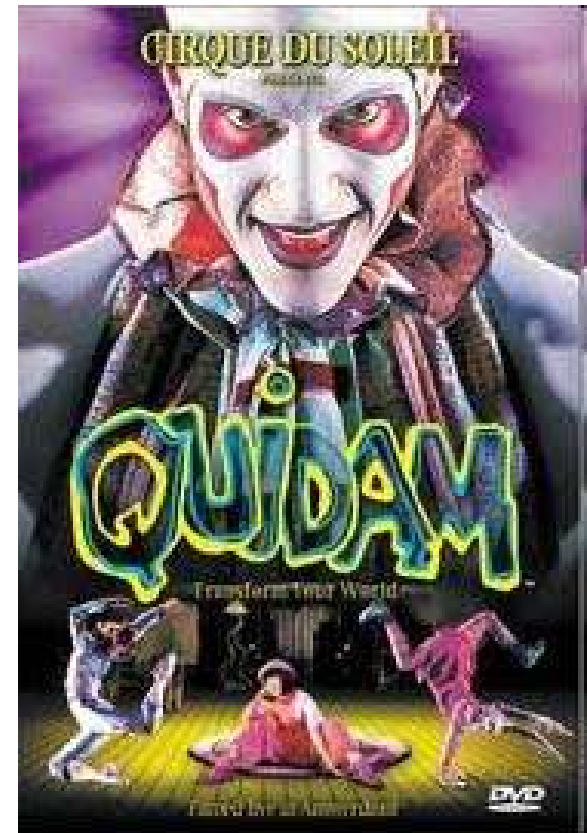
CIRQUE DU SOLEIL.

ZAIA



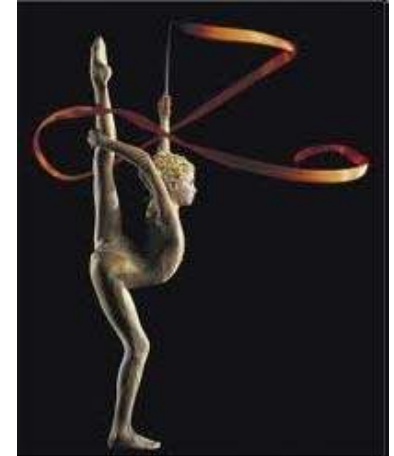
Example: Cirque du Soleil

- Commit to make jobs challenging & fulfilling
- Despite grueling rehearsal & performance schedules





- Accommodate performers' creativity & push them to perfect their craft
- Employees get to say a lot about how performances are staged
- Allow to move from show to show to learn new skills
- Get constant collegial exposure to the world's top artists in the field



Performance-management & resource-allocation processes



- Drive to defend
- Fair, trustworthy & transparent process
- Example: RBS – make its decision process very clear – employees are able to understand the rationale behind the decision

	DRIVE	PRIMARY LEVER	ACTIONS
①	Acquire	Reward System	<ul style="list-style-type: none"> ■ Sharply differentiate good performers from average and poor performers ■ Tie rewards clearly to performance ■ Pay as well as your competitors
②	Bond	Culture	<ul style="list-style-type: none"> ■ Foster mutual reliance and friendship among coworkers ■ Value collaboration and teamwork ■ Encourage sharing of best practices
③	Comprehend	Job Design	<ul style="list-style-type: none"> ■ Design jobs that have distinct and important roles in the organization ■ Design jobs that are meaningful and foster a sense of contribution to the organization
④	Defend	Performance-Management and Resource-Allocation Processes	<ul style="list-style-type: none"> ■ Increase the transparency of all processes ■ Emphasize their fairness ■ Build trust by being just and transparent in granting rewards, assignments, and other forms of recognition

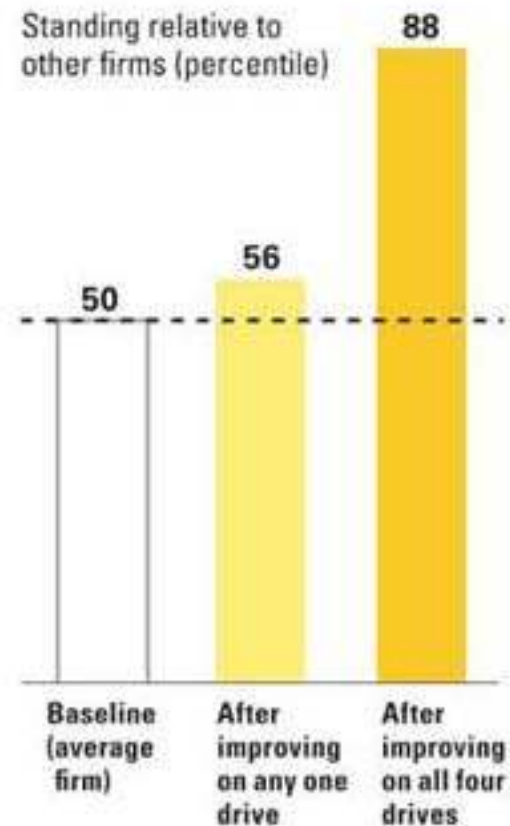
Aflac

- the largest provider of supplemental insurance in the United States
- Fortune's 100 Best companies to work for
- Match organizational levers with emotional drives on multiple fronts

- Acquire: individual performance is recognized & rewarded in highly visible ways;
- Bond: employee appreciation week
- Comprehend: invest significantly in training & development (e.g. managing, recruiting & designing curricular for training new agents)
- Defend: action to improve employees' QoL, on-site child care (work/life balance), non-layoff policy
- The company's stated philosophy is to be employee-centric – take care of its people first. In turn, the firm believes that employees will take care of customers.

Holistic approach is the best

- Actions taken on several fronts seems to reinforce one another (the holistic approach)
- Worth more than the sum of its constituent parts



The Role of Direct Manager

- Direct manager vs Organization's policies
- Employees are realistic about what managers cannot do, but also about what managers should be able to do in meeting all the basic needs of their subordinates.
- Employees attribute as much importance to their boss's meeting their 4 drives as to the organization's policies.
- Recognize that a manager has some control over how company processes & policies are implemented.

- Even in cutthroat culture, a manager can take actions that encourage teamwork & make jobs more meaningful & interesting.
- Some managers create a toxic local climate within a highly motivated organization.

Summary

- Employee motivation is influenced by a complex system of managerial & organizational factors.
- To get the best out of employees, we should fulfill their most fundamental needs.



The End