

IMAGE

AN ACTION RESEARCH JOURNAL
ON
PERSONAL AND ORGANISATIONAL TRANSFORMATION

THE INSTITUTE OF CULTURAL AFFAIRS and LENS INTERNATIONAL

IMAGE

AN ACTION RESEARCH JOURNAL ON PERSONAL AND ORGANISATIONAL TRANSFORMATION

The Action Research Journal is written to communicate designs, formats and ideas of transformational processes which promote the human factor in private and public sectors. It is published by the Corporate Services Division of The Institute of Cultural Affairs: India for distribution through the Asia Network of ICA and affiliated organisations. These include ICA: India (Bombay, Panvel and Pune), LENS Services Pvt. Ltd. (New Delhi), LENS International Malaysia Sdn. Bhd., ICA: Australia, ICA: Philippines, ICA: Taiwan, ICA: Hong Kong and LENS International Japan.

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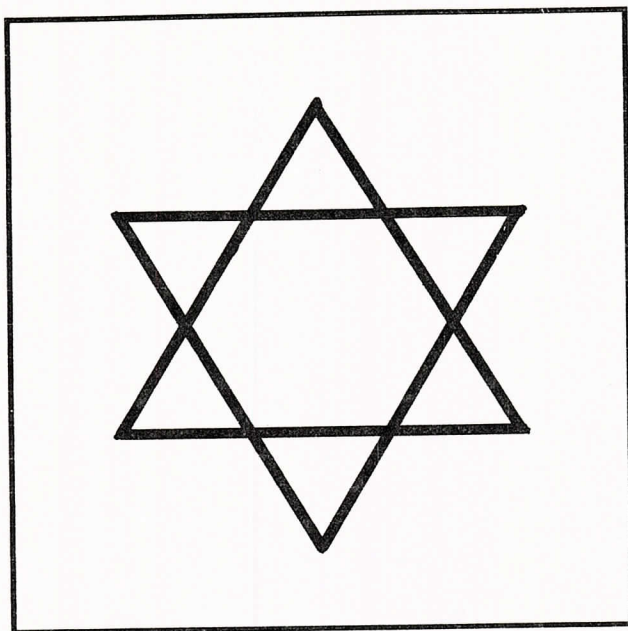
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"MOTIVATION AND WORK"

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JOURNAL OVERVIEW



What really motivates us? Some will say "Oh, that's easy. Higher pay, regular salary increases, bigger bonuses—a fat red envelope at the end of the year: That's what motivates me." It has become increasingly clear in the last decade that financial incentives are at best a short term gain and in current competitive situations may not really be possible.

This subject of motivation is one of the most important things companies—and all organisations—are struggling with today. We have learned that there are many different factors which motivate people to do their very best work. The favorite is financial rewards, bonuses and pay for performance systems. But are they really what will produce good work?

There seems to be a feeling that people's performance requires an outside stimulus to be effective. This was not true when craftsmanship was the operating vocational value. Work, and the resulting product, was itself the reward. But today so many jobs are seen as routine, giving little feedback from the creative endeavor put into them. In fact, most managerial work is several steps away from any finished product and often is routine in nature.

When so many companies have their goal as 'good financial performance,' it is easy to see why they transfer that motivation to all the employees in the form of incentives and bonuses. Of course, we all like to be paid well, but that is not the same thing as motivation.

Over the years, many articles and books have been written on the subject of motivation. One of the classics is Herzberg's analysis of "satisfiers and dissatisfiers". He points out that money and other external stimulators can only be satisfiers, and their absence or sense of inadequacy can hinder performance, but not enhance it. What motivates

people are those things that appeal to the intrinsic nature of our humanness, our own sense of contribution, purpose and self worth. But the reality is even more challenging than this.

Alfie Kohn, in his book Punished by Rewards, argues that the operation of any extrinsic reward diminishes performance. He outlines that whether it be in school, home or work, the introduction of reward systems leads to poorer results. Our society is profoundly influenced by the work of B.F. Skinner whose study of the behavioral response of animals to reward and punishment stimuli has been transposed into human behavior modification. "Do this and you'll get that", is the operating paradigm for getting results, in our children, students and workers. We are deeply committed to this way of thinking and behaving. He argues that these "incentives" are actually counterproductive.

This is not to suggest that there is something wrong with most of the things that are used as rewards. It is not the money nor the love and attention. The rewards themselves are in some cases innocuous and in other cases indispensable. But it is using these in order to control how people act where the trouble lies. Our attention is properly focused not on "that" (the thing desired) but on the requirement that we must *do this in order to get that*. It is not a fundamental law of human nature. It is deep in our culture that what motivates people (and organisations) is the acquiring of things (and compliments).

V.S. Mahesh has elaborated on the trouble with incentives in his tremendous work taking Maslow's hierarchy of needs and their influence on behavior in his book Thresholds of Motivation: The Corporation as Nursery. He points out that it is the nature of human beings to self-actualize and that our lower needs can become a barrier to this if not controlled. Each of the lower needs (physiological, safety, belongingness and recognition) require an outside or extrinsic source for satisfaction. Only if we keep these to a minimum (threshold) do we enable the natural self-actualization to occur.

To understand the detrimental effect of extrinsic motivation he points out that the quality of work performed is directly related to what level of need the person is operating at. The higher the need, the better the work done. When companies or individuals offer extrinsic stimulus to improve performance they are actually inhibiting the very results they wish to obtain.

This can easily be shown if you ask yourself "when did you feel you were performing at your best"? Inevitably people will respond with comments about "making a contribution" or "when I had the freedom to risk". They are operating with intrinsic motivation.

If our best work is performed with intrinsic motivation and low threshold needs of extrinsic

motivation, then what can a company do to move in this direction? It has been our experience that very few companies are willing to shift their policies of extrinsic motivation. They may agree in principle that high achievers seem to operate from an internally based sense of motivation, but to change the long time policies of rewards, bonuses and incentives is not seen as possible. One company, when trying to do away with titles, ran into extreme resistance from the families. Without titles they couldn't talk about their husband's position with pride to others. There are so many extrinsic systems in place that nothing short of a complete culture change will move the company in the direction of low threshold need satisfaction.

Perhaps the place to start is with the development of a strong sense of mission and a culture of participation. We have written several Image Journals on this topic, but the process needs to be continuously examined. Until we recognize that our continuation of standard "motivation" perks, titles, rewards, bonuses and incentives are actually preventing our organisations from becoming more effective, we will continue to look in the wrong direction for enhancing quality performance.

This Issue

We are exploring in this issue of the Image Journal some new concepts towards motivation and work. We start with a chapter from Alfie Kohn's book Punished by Rewards. After a thorough analysis of the trouble with extrinsic motivators, he turns to how an organisation can change its detrimental policies and replace them with those that allow the intrinsic process to take root. His suggestions may sound radical, but they lay a new foundation for a culture that will allow self-actualization to flourish. He titles the chapter, **Thank God It's Monday: The roots of Motivation in the Workplace**.

As mentioned in the introduction, V.S. Mahesh outlines the case for the relationship of the quality of performance to the level of need a person operates out of in his book Thresholds of Motivation. We are printing a section of his chapter, **The Quality of Endeavour-Intrinsic Versus Extrinsic Motivation**. One of the problems with our understanding of motivation is the effect of our beliefs on the performance of others, or what is known as the Pygmalion effect. When we do not expect people to perform (or when we do) our perception alters the results we get.

What are some of the alternatives to standard rewards and incentives? The next two articles explore some options. Profit sharing is a growing, popular way to allow people to participate in the wealth they create. But most companies create a scale of participation based on what role people play in the organisation. The higher the position the greater the amount. Ricardo Semler, Managing

Director of Semco, a Brazilian manufacturing company, instituted a different system. We are publishing his unusual policy of **Sharing the Wealth**, taken from his book Maverick.

We don't often feel that providing a life-long employment situation is detrimental to an individual. On the contrary, we see companies that offer this as providing a secure and worry-free future for its employees. Much of the turmoil and uncertainty in the work place today is the result of downsizing and continuous pressure for employees to perform. Yet Charles Handy argues that today it makes for poor economics and poor morals. People need control over their own destinies and we are moving into a new era where the meaning of career is being redefined. His essay, **Are Jobs for Life Killing Enterprise**, is from his book Beyond Certainty.

Another idea for shifting organisations away from traditional operating policies comes from Carol Sanford in her chapter from the book Learning Organizations, a collection of essays edited by Sarita Chawala and John Renesch. She presents a model for six universal arenas in which business seems to be successful in work designs. Three are related to the work design and three are capabilities that must be built among the members of the organisation. She titles her essay, **Vitalizing Work Design: Implementing a Developmental Philosophy**.

Getting meaning into work is a key factor in fostering intrinsic motivation. Countering boredom is important in increasing productivity. A unique experiment has been created in South Africa by Albert Koopman in his company Cashbuild. A lifelong opponent of apartheid, he set about to establish the country's first industrial democracy. His approach was revolutionary for South Africa and his model is a bridge between the North and South understanding of management. We are printing a section of one chapter (Reconstructing Authority) titled **The True Worth of Productivity**, from his book Transcultural Management.

Finally we are including an article on methods to enhance intrinsic motivation by John Epps of LENS International, Malaysia. We call these **The Motivity Factors**. They are based on years of work by the Institute of Cultural Affairs with communities and organisations in which one of the major goals is to foster self-reliance, self-confidence and self-development. These involve the cultivation of expanded internal space and time, the establishment of community, the creation of a motivating story and the commitment of intensified action.

I hope these articles will give the reader a new sense of possibility for enhancing workplace motivation.

Jack Gilles
Editor

THANK GOD IT'S MONDAY - Alfie Kohn

You can't always judge a book by its cover, but you can sometimes feel justified in discarding one on the basis of its title. Anything called "How to Motivate Your Work Force," "Making People Productive," or something of the sort can safely be passed over because the enterprise it describes is wholly misconceived. "Strictly speaking," said Douglas McGregor, "the answer to the question managers so often ask of behavioral scientists - 'How do you motivate people?' - is, 'You don't.'"

Of course, it is possible to get people to do something. That is what rewards, punishments and other instruments of control are all about. But the *desire* to do something, much less to do it well, simply cannot be imposed; in this sense, it is a mistake to talk about motivating other people. All you can do is set up certain conditions that will maximize the probability of their developing an interest in what they are doing and remove the conditions that function as constraints.

Step One: Abolish Incentives

To challenge the pay-for-performance approach is to invite the question, Well then, how *should* people be paid? What must be stressed immediately is that this question, while a reasonable one to pose, is not nearly as important as most managers seem to think. Although some alternative plan for compensation will have to be devised, nothing we come up with is going to help people become motivated.

W. Edward Deming distills half a century's worth of experience observing and advising organizations as follows: "Pay is not a motivator." Frederick Herzberg amends this declaration by reminding us that money can nevertheless be a demotivator. This means that compensation systems often act as barriers to achieving productivity, quality and intrinsic motivation, but they do not - they cannot - help us reach these goals. The implication is that books emphasizing the importance of paying people "correctly" distract us from the issues that really matter, and consultants peddling elaborate compensation schemes are selling a bill of goods.

Here are the basic principles I would propose to those responsible for setting policy: Pay people generously and equitably. Do your best to make sure they don't feel exploited. Then *do everything in your power to help them put money out of their minds*. The problem with financial incentives is not that people are offered too much money; earning a hefty salary is not incompatible with doing good work. Rather, the problem is that money is made too salient. It is pushed into people's faces. Moreover, it is offered contingently - that is, according to the principle "Do this and you'll get that." To end this practice is to take the first step - but only the first step - toward fixing what is wrong with organizations.

Other than well and fairly, how should people be paid? Different organizations have experimented with different arrangements. The most ambitious try to compensate employees on the basis of need, or else they pay everyone equally. A less drastic approach is to take into account such factors as how long an individual has been with the organization, what special training and skills she has, and how time-consuming or complex her job is. If the company has had a profitable year, I see no reason those gains should not be distributed to the employees; after all, their work is what produced the profit. These recommendations accord, more or less, with those of Deming and elsewhere. Some major U.S. corporations - a minority to be sure - are beginning to move in this direction because of Deming's influence or because of a gradual realization that pay-for-performance is an inherently flawed concept.

Step Two: Reevaluate Evaluation

After abolishing merit pay, we need to take a hard look at its first cousin, the performance appraisal. This is typically a stressful annual ritual in which employees are ranked, rated, or otherwise judged - a tradition that should have been retired long ago in light of how misleading its results are and how predictably it generates resentment and impedes cooperation.

So what do we do instead? Rather than just shopping for a new technique, we might begin by asking why people are being evaluated. So often the changes in procedure we implement have no lasting impact because we never pause to reflect on our goals and motives. In this case, some critics have suggested that the performance evaluation persists because it is "a very effective tool for controlling employees...[that] should not be confused...with motivation of employees." Others argue that its appeal consists in allowing superiors to shift the responsibility for solving problems to their subordinates. Whatever the accuracy of these charges, performance evaluations are most commonly defended on the grounds that they are needed to:

1. determine how much each employee is paid or who will receive various awards and incentives;
2. make employees perform better for fear of receiving a negative evaluation or in the hope of getting a positive one;
3. sort employees on the basis of how good a job they are doing so we know whom to promote; or
4. provide feedback, discuss problems, and identify needs in order to help each employee do a better job.

I have already argued at some length that the first and second justifications make no sense, since pay-for performance plans as well as a carrot-and-stick approach to motivation are counterproductive. The third motive raises a host of complex

questions, and I will content myself here with just two paragraphs on the subject.

In thinking about promotion, we take for granted that an organization must be shaped like a pyramid, with many people clamoring for a very few desirable and lucrative jobs at the top, as if this arrangement had been decreed by God. In fact, both how many such positions are available and how many people want them are the result of institutional decisions. We create a climate in which employees are made to feel like failures if they are not upwardly mobile, and we arrange the majority of jobs so that those who hold them are given very little money and responsibility. Were these things to change, the competitive scramble for promotions might be eased and we would be obliged to rethink the whole issue of who does what in an organization.

Even within the standard hierarchical arrangement, the use of performance appraisals to decide on promotions is based on three dubious assumptions: first, that someone's achievement in his current job is a reliable predictor of how successful he will be in another, very different, position; second, that how much someone has achieved is a more important consideration in deciding whether and how his responsibilities will change than what sort of work he prefers and finds intrinsically motivating; and third, to the extent that performance does matter, that is best judged by the evaluation of a superior rather than by one's peers or oneself.

Clearly, much more could be said about evaluating people in order to sort them like so many potatoes. Like the first two justifications for appraisals, using them to calculate pay and to "motivate" employees, basing promotions on performance evaluations is basically a way of doing things *to* people. Consider, by contrast, the fourth rationale, which is that evaluations are useful as a way of helping employees do better work. This seems altogether legitimate, in part because it offers the possibility of working *with* people. If our overriding concern really is to foster improvements, then the contours of a program for evaluation begins to take shape:

- It is a two-way conversation, an opportunity to trade ideas and ask questions, not a series of judgments about one person pronounced by another. In effective schools, for example, evaluations of teachers exist to find reasons for the strengths and weaknesses they identify, and they treat teachers as equals in exploring solutions.
- It is a continuous process rather than an annual or quarterly event.
- It never involves any sort of relative ranking or competition.
- Most important, it is utterly divorced from decisions about compensation. Providing feedback that employees can use to do a better job ought never to be confused or combined with controlling

them by offering (or withholding) rewards. "Using performance appraisal of any kind as a basis for reward is a flat out catastrophic mistake," says consultant Peter Scholtes. Back in the 1960's Herbert Meyer sounded the same warning, pointing out that it is "foolish to have a manager serving in the self-conflicting role as a counselor (helping someone improve performance) when, at the same time, he or she is presiding as a judge over the same employee's salary."

Step Three: Create the Conditions for Authentic Motivation

Alan S. Blinder, a Princeton University economist recently edited a research anthology entitled *Paying for Productivity: A Look at the Evidence*. He summarized its findings as follows: "Changing the way workers are *treated* may boost productivity more than changing the way they are *paid*. This makes sense because treating workers decently allows them to become motivated, and motivation in turn boosts productivity. If motivation and productivity are in short supply in our workplaces, this may just have something to do with the way workers are treated there."

When employees are asked to describe the conditions they need, or when reflective and experienced managers are asked to describe the conditions they try to create, a variety of suggestions are offered. But there is substantial overlap in the ideas, a consensus that people in managerial positions ought to do these things:

Watch: Don't put employees under surveillance; look for problems that need to be solved and help people solve them.

Listen: Attend seriously and respectfully to the concerns of workers and try to imagine how various situations look from their points of view.

Talk: Provide plenty of informational feedback. People need a chance to reflect on what they are doing right, to learn what needs improvement, and to discuss how to change.

Think: If one's current managerial style consists of using extrinsic motivators, controlling people's behaviors, or simply exhorting them to work hard and become motivated, it is worth thinking carefully about the long-term impact of these strategies. It is also worth asking where they come from. A preference for using power in one's relationships with others, or a reaction to being controlled by one's own superiors, raises issues that demand attention.

Most of all, a manager committed to making sure that people are able and willing to do their best needs to attend to three fundamental factors. These can be abbreviated as the "three C's" of motivation - to wit, the *collaboration* that defines the context of work, the *content* of the tasks, and the extent to which people have some *choice* about what they do and how they do it.

I. Rewards Punish

In certain circles, it has come to be taken as revealed truth that we are supposed to stop punishing and criticizing and instead attempt to "catch people doing something right" and reward them with privileges or praise. It is nearly impossible to open up a book on management or scan an article on raising children, or attend a seminar on teaching without coming across this counsel. The underlying assumption is that there are exactly two alternatives: punitive responses or positive reinforcement, sticks or carrots.

Rewards are less destructive than punishment, and the difference between the two becomes more important as the punishment in question becomes more harsh. But the dichotomy is a false one: our practical choices are not limited to two versions of behavior control. And that is very good news indeed because despite the relative superiority of rewards, the differences between the two strategies are overshadowed by what they share. The troubling truth is that *rewards and punishments are not opposites at all; they are two sides of the same coin*. And it is a coin that does not buy very much.

There are punitive features that are built into the process of rewarding. Two such features come to mind. The first derives from the fact that rewards are every bit as controlling as punishments, even if they control by seduction. Philosophical objections aside, though, if reward recipients feel controlled, it is likely that the experience will assume a punitive quality over the long run.

II. Rewards Rupture Relationships

Rewards disrupt relationships in very particular ways that are demonstrably linked to learning, productivity and the development of responsibility. They have these effects both with respect to horizontal relationships and vertical relationships.

We need to begin by recognizing that cooperation does not just make tasks more pleasant; in many cases it is virtually a prerequisite for quality. Teachers and managers are coming to recognize that excellence is most likely to result from well-functioning teams in which resources are shared, skills and knowledge exchanged and each participant is encouraged and helped to do his or her best. Rewards, by contrast, are typically based on the faulty assumption "that the organization's effectiveness is the simple additive combination of individuals' separate performances," a reductive view that overlooks the nature and value of group interaction. At best, rewards do nothing to promote this collaboration or sense of community. More often, they actually interfere with these goals: an undercurrent of "strifes and jealousies" is created whenever people scramble for goodies.

III. Rewards Ignore Reasons

What makes behavioral interventions so terribly appealing is how little they demand of the intervener. They can be applied more or less skillfully, of course, but even the most meticulous behavior modifier gets off pretty easy for one simple reason: *rewards do not require any attention to the reasons that the trouble developed in the first place*. You don't have to ask why the employee is doing an indifferent job. All you have to do is bribe or threaten that person into shaping up.

Some people use rewards because they are impatient for results, however fleeting or superficial: their attention is focused on the bottom line and they don't particularly care about "deeper issues." But others are guided by the view that these issues actually make no difference. The core of behaviorism, on which some decisions to use behavioral strategies are based, is that human beings are no more than what they do. Change what they do and you have dealt with the problem. It is the confusion of inner motives with their outward expression. But my point is not just that the psychological theory is inadequate; it is that the practice is unproductive. If we do not address the ultimate cause of a problem, the problem will not get solved.

IV. Rewards Discourage Risk-taking

Rewards can sometimes increase the probability that we will act the way someone wants us to act. But they do something else at the same time that many of us fail to recognize: they change the way we engage in a given behavior. We are driven by rewards, our focus is typically more narrow than when no rewards are involved; we are less likely to notice or remember things that aren't immediately relevant to what we are doing. This is what researchers call "incidental learning," a type of performance that rewards invariably undermine. The underlying principle can be summarized this way: *when we are working for a reward, we do exactly what is necessary to get it and no more*. Not only are we less apt to notice peripheral features of the task, but in performing it we are also less likely to take chances, play with possibilities, follow hunches that might not pay off. Risks are to be avoided whenever possible because the objective is not to engage in an open-ended encounter with ideas; it is simply to get the goody.

"Do this and you'll get that" makes people focus on the "that" not on the "this". Prompting employees to think about how much will be in their pay envelopes is about the last strategy we ought to use if we care about creativity. We can summarize this discussion as follows: *Do rewards motivate people? Absolutely. They motivate people to get rewards.*

THE QUALITY OF ENDEAVOUR - V.S. Mahesh

Some years ago, in Pune, India, four tired executives were being driven back home from work at the end of a long day. The driver was Laxman, a 58-year old man with less than two years to go before retirement. He had been on the company's rolls for many years, one among many drivers employed by a giant Indian corporation that had over 30,000 employees. Each time the car stopped for an executive to alight, Laxman would hop out, holding the door open for the executive to alight and, thereafter, gently close the door. I was the fourth and last executive to be dropped, and had observed Laxman's agile behaviour. When it came to my turn, I got out fast, but not fast enough. Laxman had come running around and caught the door just before I could bang it shut. In a friendly manner, I told him that he need not have bothered to extend the courtesy to me too, a young executive still in his twenties. Laxman gave a sweet toothless smile and murmured something unintelligible. To ensure that he would not feel obliged to repeat his actions the next day, I made the same point again. Laxman replied by saying that it gave him pleasure to extend such courtesies. When I held my ground, indicating that it did not give me pleasure at all, and that it actually made me feel distinctly uncomfortable, he gave me this remarkable explanation for his behaviour:

"Sir, I have been driving this car ever since the company bought it four years ago. I look after it myself. So far, the car has had no problems at all. There is not even a single scratch on the body, the brake linings have not been replaced, the door linings are the original ones that came with the car, the engine purrs healthily, there is no rattling...." The company had neither the management information system to record such data nor the practice of assessing drivers in such performance indices. In fact, the policy was to replace cars every three years with new ones. That did not however, stop Laxman from seeking perfection in his limited job, even going to the extent of camouflaging his protection of door linings with old world courtesy!

As Laxman spoke, there was a quiet pride in his voice and his sweet, toothless smile became broader and broader. Had I not provoked him, he would have probably never revealed his outlook on his job, and quietly retired within two years. He had obviously transcended *other's domain* and was working in his *own domain*. Acquiring self-esteem through mastering his job, with its potential for self-actualization, was what drove him on, in an apparently instinctive manner.

The Chinese Parallel, Linking Quality of Output with Motivation

That there is a distinct correlation between the need level one has reached, and the quality of one's endeavour was known to the ancient Chinese long

ago. Dating from the T'ang period, there exists a threefold classification of painting, namely (*shen*), profound or mysterious (*miao*) and accomplished (*neng*).

- The first of these implies an absolute perfection, the product of a painter who seems to make no effort of his own, "his hands appearing to move spontaneously". As pointed out earlier, the equivalent state was the same as the miniature painter who had reached a state of *sahaja* (the India term for when a person reaches the level of self-actualization or as if it was the hand of God working). The correlation between the East-West model developed so far, and the Chinese classification of quality is indeed striking. A product that can be truly classified as divine, or *shen* is the result of a self-actualizing individual's effort.

- The second level implies mastery and perfection that are typical of a master craftsman. Vhang Hoa ascribes such a level of perfection to a master who "works in a style appropriate to his subject", implying both a conscious deliberateness as well as a definite separation of the artist from his painting. As such, this level is obviously short of the point where the doer and the done naturally coalesce. This level clearly corresponds to the level of "self-esteem" or *aharya*.

- The third level refers merely to dexterity, achieved by an adept pupil, corresponding to the level of "recognition by others", or *aupadeshika*.

Intrinsic Motivation and Corporate Excellence

The qualitative result of people's activities would be extremely high if they were primarily motivated by the interest, enjoyment, satisfaction and challenge of the endeavour itself. This is what psychologists refer to as "intrinsic motivation". Conversely, if they are applying themselves to a task due to any "extrinsic motivation" in that they perceive the possibility of achieving other goals through accomplishment if a task - like the satisfaction of physiological, safety, belongingness or recognition needs - the quality of performance can be expected to be of a relatively inferior level.

This is something that most managers refuse to acknowledge, in practice, even if they are willing to pay lip service to it. Yet there is abundant data to support the conclusion that intrinsic motivation leads to relatively superior performance as against extrinsic motivation.

From the time man's ability and skills at work were used as a commodity to be bought through extrinsic rewards, and management practices were built around such a trade, intrinsic motivation for work began to be eroded. It is not at all surprising, then, that managements of industrial enterprises are grappling with the problem of *quality* all the time. After all, what quality can be expected from

people who are never allowed to grow beyond the level of "recognition by others". The corresponding Chinese level of product quality - dexterity, of *neng* - is all that can be obtained. To achieve quality of output that can be described as profound (*miao*) or divine (*shen*), one has to rely on intrinsic motivation of a human being to reach out towards self-esteem and self-actualization. As we have seen earlier, true quality, of perfection, can be reached only when the doer and the done merge. It can never be achieved when the doer is consciously trying to trade with what he can do.

The Gigantic Oak and the Gnarled Tree

To better appreciate what has been said so far, let me use the Aristotelian example of the acorn and the oak. If a gardener had made the mistake of planting an acorn under a ledge, or a roof, the acorn would grow up crooked, seeking light. If that mistake is spotted in time by the gardener, he will replant it elsewhere, tie the plant to an erect stick, and wait for the plant to redirect itself. The gardener would have no doubts as to the plant's ability to do so, for that is the plant's *nature*. As soon as the plant has redirected itself, he will remove the stick, for he knows that the stick's role is over. Retention of the stick will, the gardener knows, inhibit further growth of the plant into a gigantic, erect oak tree.

This analogy may be a useful one to keep in mind, while contemplating the deleterious effect of extrinsic motivation on the natural, intrinsic motivation. For, if the gardener had not spotted the mistake in time, and the plant had continued to grow crooked and become a gnarled caricature of an oak tree, he would have found that the intrinsic motivation for the plant to grow erect and large had been killed altogether.

It is ironic that we witness true quality whenever people are engaged in what is referred to as hobbies, rather than when they are working. We respect those who get fully absorbed in sports, bull-fights, cuisine, wines, pop music, theater, fashion, and so on, calling them fans, aficionados, gourmets and connoisseurs. Barry Schwartz sums it up well by pointing out that by converting Man's daily activity into a tradable commodity, what must have once been like "play" to him has been converted into "work", the underlying presumption being that play is more enjoyable than work.

Simultaneously, through aggressive marketing, and improved advertising skills, strengthened by the rapid growth of information technology, Man was also being tempted to increase his needs. Within the space of a hundred years, Man's "needs" have increased almost in a geometric progression. Take his needs for transportation. His mode of travel has changed from horse-drawn carriages and slow moving trains to air-conditioned

limousines, high-speed, luxury trains like the TGV in Europe, supersonic aircraft and Concorde. In developed countries, most families will find it next to impossible to exist without a minimum of two cars per home, preferably changed every three years at least. While quality of life, hygiene conditions, and the potential for pursuing a variety of pleasurable activities have definitely improved substantially, it is also a fact that there is a corresponding increase in Man's potential for feeling "dissatisfied".

Now, according to Maslow's thesis, when the lower needs of a human being are not *adequately satisfied*, the higher needs disappear. This tendency, coupled with the fact that introduction of extrinsic motivation results in the reduction, or even disappearance, of the intrinsic motivation previously present, has led to the present state of affairs: Man's natural ability to reach beyond the satisfaction of lower needs, towards achieving mastery over his work, appears to have temporarily vanished among a large majority of people, leading to the mistaken belief that Man is not capable of it at all. The crucial question, at this point of the analysis, is: has the plant grown too crooked for too long, rendering it beyond correction, or is it still possible to introduce our allegorical, straightening stick?

We often underestimate the ability of others to respond to intrinsic values. The effect of such underestimation of others is almost as devastating as the other two reasons for the current impasse, i.e. the Maslovian tendency for higher needs disappearing when a lower need is chronically threatened and the fact that extrinsic motivation undermines intrinsic motivation. The reason for all of this lies in what is commonly referred to as the Pygmalion effect, or the self-fulfilling prophecy.

The Pygmalion Effect or the Self-fulfilling Prophecy

This effect is best understood by a real-life example. A researcher went to a school in a midwestern state of the USA, seeking permission from the principal to ratify a test he had designed. He explained that he had developed a test which would identify the two students who were most likely to progress most in any class, and he wished to try it out in the school. The principal agreed and the researcher went to each class in the school and had his test conducted. He came back a week later with the evaluations and met the teachers of each class. He confidentially told each teacher which two in their class were likely to progress most in the next six months. He also requested the teachers not to divulge this information to anyone, least of all to the students concerned. When the researcher came back after six months, over 90% of the teachers confirmed that his predictions were correct. The two he had picked in each class had indeed shown

the maximum progress.

He then called all the teachers and the principal together and revealed that the test had actually been a hoax, in that he had picked two students in each class at random. The reason for the identified students actually showing the maximum progress was the teachers expectation of such a progress, he explained. While the teachers had not verbally divulged their expectation to the students concerned, their non-verbal communication, including their body language, had been powerful enough.

The term, "Pygmalion effect" owes its origin to ancient Greek mythology, concerning a king of Cyprus, Pygmalion. The king, who was also an accomplished sculptor, once carved a beautiful figure of a woman in stone. He fell in love with his creation, and through the strength of his own will, aided by the grace of Venus, the Goddess of Love, brought the statue to life. (For those who feel cheated when a story is not completed, the King married her and lived happily ever after.)

George Bernard Shaw's play, *Pygmalion* is also based on this concept. Professor Henry Higgins's confidence that he can convert a flower girl into a personable society lady who can pass off for a duchess, eventually transforms Eliza Doolittle. Without belittling Prof. Higgins's skills as an expert on languages and dialects, Shaw attributed Eliza's transformation to his infectious enthusiasm and conviction of success. The Pygmalion effect has been tested repeatedly in different conditions and among different people, and has been found to be true. In factory settings, where poor performers were transferred from one place of work to another, and introduced as "above average performers," to the new supervisor, remarkable results ensued. Not only did they outperform the average employee, but also were assessed by peers as the most sought after team-members.

At a US Army Command training centre, 105 soldiers were tested for aptitude and randomly assigned to three expectancy categories: high, regular and "unknown command potential". Eight instructors were given these contrived expectancy ratings for those in their courses. Trainees of whom instructors expected better performance scored significantly higher on objective achievement tests and exhibited more positive attitudes and greater motivation. They also perceived their instructors to be better leaders.

Summing up the findings of more than 300 such studies, Robert W. Goddard (1985) claimed justifiably that the findings had proved the following:

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

3. Less effective managers fail to develop similar expectations and, as a consequence, the productivity of their subordinates suffers;

4. Subordinates, more often than not, appear to do what they believe is expected of them; and

5. The highest output is achieved by jobholders whose supervisors expect - and insist upon - high performance. ("Come on, I know you have it in you to do better than that!")

Knowledge of the Pygmalion effect has existed for some years now, inviting managers to first correct their attitudes and beliefs about others and then worry about what else needs to be done to ensure great performance from them. Most line managers have at best responded with lip service and continued in their scientific way, with greater automation, standardization, better human engineering and so on, the basic intention being, "How do I eliminate errors that are bound to come up due to the human factor?" Many events and findings, such as social Darwinism, behavioral science, the *selfish gene* and Adam Smith's *Economic Man* combined to strengthen Man's disbelief in the potential for greatness and perfection among his fellow beings.

The New Managerial Problem of Front-line Service People and Knowledge Workers

The nature of industrial activity has undergone such a major change that the so-called lowest echelons of all organizations will only have either two types of employees: a *front-line service deliverer* or a *knowledge worker*. It is also pointed out that over 90% of the former's interactions with guests cannot be *seen, heard, or even heard of*, the latter have to function at faster speeds, in increasingly remote locations. As such, both these categories cannot be supervised and "managed" like before. Hence, the managements of Third-Wave organizations have no option but to not only believe that their employees will perform as well as their own exalted selves, but also, like good Pygmalion managers, communicate that high expectation strongly and well.

SHARING THE WEALTH - Ricardo Semler

All of us were ready to retire. Or better yet, become consultants. We thought we deserved it. We had unleashed an extraordinary force and were overwhelmed by the results. With prices under control throughout Brazil, 1986 had been a good year for Semco. With our plants divided, autonomous, invigorated, and at labor peace, and our workers more involved in their jobs than ever, 1987 was better.

The food service equipment plant was going great guns, especially the new, worker-designed assembly line for dishwashers. The Kids at DBData, in their white uniforms, were at least as impressive. Santo Amaro had 80 percent of the market for biscuit making machinery. And at all our plants, the factory committees, famous for their obstinacy at other companies, had helped us cut expenses drastically.

Because of this, Semco was making money—\$2.2 million in eighteen months. I realized it was time to give everyone a stake in the added wealth they were creating. It was time for profit sharing.

No more than a half dozen Brazilian companies had profit sharing at the time, and all of them had merely implemented off-the-shelf plans that unilaterally and arbitrarily doled out the rewards according to top management's dictates (or whims). The companies wanted to motivate their workers, but at the same time retained the power to treat some employees better than others. This is a formula for resentment and division.

We decided we wanted a new kind of profit-sharing plan, one that would not only be fully comprehensible to our workers but also controlled by them. Before we could share the wealth, however, we knew we would have to share something even more valuable: information.

No one can expect the spirit of involvement and partnership to flourish without an abundance of information available even to the most humble employee. I know all the arguments against a policy of full disclosure. Employees will use the numbers to argue for raises in good times, or be frightened by the numbers in bad times. Even worse, trade secrets will be leaked to the competition.

Maybe. But the advantages of openness and truthfulness far outweigh the disadvantages. And a company that doesn't share information when times are good loses the right to request solidarity and concessions when they aren't.

The origins of corporate secrecy can be traced to the insecurity of executives who possessed the technical skills to scale the corporate pyramid but weren't mature enough to handle the height. They wanted to be seen as different from those who had not attained their perch. By keeping their salaries secret, they felt they would keep themselves apart from others. And, of course, if they had one secret, it was easy to make others believe they possessed

more, and so were even more powerful, since in the modern organization power rests with information.

The problem with secrets is that people usually just assume the worst, whether it's about profits or salaries. How do I know? We took a poll a few years earlier in which we asked everyone at Semco how much money they thought the company made. This was before we had made many changes, and our employees apparently thought we were unconscionably greedy. How else to explain the widely held belief that our profits were between 20 percent and 30 percent of our revenues? (Most any company would be pleased with a profit of 7 or 8 percent.) After that, I didn't need to be convinced that we would all be better off if our employees knew the whole truth.

When we told our managers that we wanted to share information about our financial performance with our workers, many were alarmed. They thought the first thing the employees would want to know was how much they were paid. So we held our first meeting to discuss the monthly operating reports with a few dozen representatives of the factory committees and what was the first question they asked? How much money does a top manager at Semco make?

We answered truthfully: \$50,000 to \$100,000 a year, including bonuses. The shock was palpable. After all, this was a country where the minimum wage was \$1,500 a year. Never mind that none of our people made less than four times that. From that day on, our managers have been known by the factory workers as maharajahs. (Incidentally, the gap between Semco's lowest- and highest-paid employees has grown much narrower since then.)

The truth may not be pretty, or easily explained, but it is always better out in the open. We don't tack lists of salaries on a bulletin board, but the information is mostly available for the asking. Yes, several executives requested that their salaries be kept confidential, and we obliged because their privacy is important too. But it didn't matter, since enough salaries were known to give everyone an extremely accurate idea of pay at all levels of the company.

It was soon clear that if our executives were ashamed of their salaries, it might be because they felt they weren't really earning them, for if they merited their pay they could easily prove their worth, whether it was based on specialized knowledge, experience, education or the mastery of a large department with a big budget and staff. Executives should be proud of what they earn, and their salaries ought to provide everyone with an incentive to rise.

In time our workers came to accept Semco's executive pay and didn't try to get us to lower it, as we were warned would happen. But they weren't shy about letting us know when they thought we had too many highly paid executives floating

around.

We soon made all sorts of financial information available besides salaries. Of course, not everyone could understand it. Some workers didn't know the difference between a profit and revenue. So with the union's help we began classes to teach them to read balance sheets, cash flow statements, and other documents. I don't know of another company with such a course.

Clovis went to the initial session and couldn't wait to tell me the first question. "What we want to know," one worker said, "is how does the company cook the books?"

It has been rooted in the corporate consciousness that profits belong to those who invest the capital. Of course, this is the rule even in companies at which the founder originally invested very little and which grew largely because of the energy and talents of the employees. Entrepreneurs aren't dumb.

But some companies, looking for new ways to motivate workers, began to share the profits with them. This is hardly a socialist conceit; few ideas are as capitalist as profit sharing, which rewards with part of a company's earnings the people who help generate this blessed surplus. Nor is it new. What is an annual bonus, after all, but a form of profit sharing?

Some early profit-sharing plans were structured to return a portion of the proceeds generated by employee suggestions. From there it was but a hop, skip and jump to plans that shared the total profits. A good idea became a trend, a trend became a fad, and a fad became a movement as companies sought a quick fix for uninterested, unmotivated work forces. But many just shelled out the money, leaving employees in the dark about how the amounts were arrived at. This undercut the plans' effectiveness, and recent studies have found that in a high percentage of cases profit sharing doesn't work.

In 1986, Semco sponsored a seminar that brought together leaders of half a dozen companies with profit-sharing plans for a debate before an audience of 300 executives, consultants and labor leaders. The panel's conclusion? There wasn't any, which was more than a hint profit sharing is hard to get right.

Truth is, profit sharing doesn't create employee involvement; it requires it. It works only when it crowns a broad and comprehensive program of participation. Semco wasn't interested in having a few executives decide who got what. We wanted the beneficiaries to make those decisions.

But which beneficiaries? By now Semco had eight autonomous units in four plants making dozens of products for three sectors of the economy. Delivery times for our products ranged from one day for a digital scale to two years for a turnkey biscuit factory. That's complexity. Would

this special payment to our workers be based on the total profit, made by the whole company, or even the profit attributed to each team of workers within those units? How would an employee from a unit that failed to make a profit and didn't get an extra check feel working in the same plant as a person who received a large additional payment because his unit did well? Should the distribution formula be weighted to consider salary, length of service or performance? Don't payments that are proportional to a workers earnings reinforce the gap between the lowest- and the highest-paid employees? Indeed, doesn't the distribution of profits represent an immense amount of money for the company but, once it's divided among a thousand workers, become only a modest sum for each? Is it worth it?

There were decisions to make, and the fear, especially on my part, that an improperly implemented profit-sharing plan could undo gains we had already achieved. As was our policy, we ignored rules and precedents and worked from reality, holding shop-floor discussions and meetings with factory committees and union leaders over the next year and a half.

How much of our profits would we return to those who helped make them? That was the starting point. We weren't about to pick a number out of the air, or let our workers do that, either. So we negotiated. We began with Semco's total profits, the revenues minus expenses. Then we agreed that 40 percent would be deducted for taxes, 25 percent for dividends to shareholders, and another 12 percent for reinvestment, the minimum the company needed to prosper. That left 23 percent.

Then the workers went to thrashing out the distribution by themselves. An accounting clerk named Claudio, who represented the factory committee at Santo Amaro, then one of our most profitable plants, summed up the major sticking point at one of the first meetings: "Why should we share our profit with plants that aren't making money?" he said. "It isn't fair."

There was a lot of discussion on what was fair. Finally, the employees decided that the Semco Profit-Sharing Program (or SemcoPar) would work like this: Each quarter, the profit made by each autonomous unit is calculated and 23 percent of that sum is delivered to the employees of that unit. (Of course, given the Brazilian economy we don't always have profits to share, and we won't give consolation prizes.) What happens to the money after that is up to them. They can vote to divvy it up by head count or they can consider years of service with the company, salary or other criteria. They can decide that, rather than distribute the money, they will use it for some other purpose, such as for loans so workers can buy houses. But

(continued on page 13)

ARE JOBS FOR LIFE KILLING ENTERPRISE

My first job was with a large oil company. On top of the pile of literature given to me on my first day was their pension plan. Then in my early twenties I tossed it to one side, unread, but I can still recall my father-in-law-to-be picking it up and commenting, "I see that you are worth rather more dead than alive!"

That, however, was all as it should be because both the company and I assumed that I had joined them for life and it was understood that they would be caring for me after employment and, indeed, after death. They would provide me with a career, high or low depending on my abilities, and me with the training and development needed to make the most of those abilities. In return they expected loyalty, commitment and a certain amount of patience "Don't be in such a hurry, the good jobs come in your forties."

Life-long employment was the aim of every decent employer, and indeed of many less decent ones because it did make life easier to have your own private army to deploy as you pleased. More recently the Japanese have made it ultra-respectable corporate behaviour and the paraphernalia of appraisal schemes, succession plans and career development officers have welded the idea into every organization's infrastructure.

I suspect, however, that it may be an idea whose time has passed. Even the Japanese, after all, restrict the privilege to their core staff and make it clear that it is only a custom, not a legal right. For them, and others, are beginning to suspect that the disadvantages outweigh the advantages.

The first disadvantage is a simple fact. People grow older at the same rate but organizations narrow towards the top. There is not room for everyone to advance their careers and yet everyone has careers now, not just jobs. The result? A periodic culling of the middle ranks, much unhappiness, and much expense. The culling can only be postponed if the organization's output grows, exponentially, much faster than its productivity improves. That was true for many Japanese firms for several years but is less true now.

It was also true for some British firms but only because their productivity hardly improved at all until the late seventies, which was when the culling really began. Nowadays, every successful firm will have quadrupled its turnover in the last ten years and halved its core staff. The quinquennial cull has become a habit but makes a cruel mockery of the idea of life-time employment. Half the people, paid twice as much and producing three times as much is a good corporate rule of thumb - except for the other half of the people.

The second disadvantage of life-time employment is the implied need to offer everyone some sort of progression throughout their career. To mean anything there has to be some noticeable advance in seniority, and pay, every few years.

That was all right when organizations were big and tall - it is less feasible when they are small and flat. Most organizations are today aiming for four levels of hierarchy. That does not leave much room for perpetual promotion, or, in hard reality, for any promotion at all for some.

The third disadvantage is that a penchant for growing your own timber leaves you stuck with the saplings your father planted. In a time of massive change the saplings may be the wrong variety. Turning building societies into banks or banks into financial hypermarkets may be good corporate strategy but it is hard to staff the new organizations adequately with the people recruited for the old, train them as much as you may. Inevitably, new talent is brought in, making nonsense of the implied promises to earlier staff.

Fourthly, there is the lurking danger of corporate blinkers when the strategy of the business is in the hands of people who have grown up in one world and tradition and know no other. "Group-think", as it is called, can make a cohesive group oblivious to anything that they do not want to hear or see, keeping the train running on tracks that lead nowhere.

Frankly, I now believe that life-long employment is bad economics and bad morals. It is bad economics because it puts the organization into a straitjacket and limits its flexibility. It is bad morals because it promises, or appears to promise, what it cannot and will not deliver to more than a few. However well-meant, it is, too often, a lie.

It would, I think, be more honest and more sensible to think in terms of specific jobs with fixed-term contracts of varying lengths, of money purchase pension schemes for all instead of retirement pensions, of "opportunities" rather than "planned careers", with people bidding for jobs but sometimes in competition with outsiders. It would be more sensible for individuals to think of "moving on" rather than always "moving up", as professionals move from one partnership to another to gain experience or look for richer pickings. Tenure, after all, is something that the good don't need and the bad don't deserve.

What would this mean in practice? The career would become much more the individual's responsibility. I like the phrase that one American corporation uses to describe its philosophy of development: 'individual initiative and corporate support'. Corporate support would include education and training, some of it expressed in the language of individual rights - for example tuition reimbursement schemes, to encourage the individual to invest in his or her future.

Corporate support would include counseling, advice on future job options and appropriate experience. No organization wants to lose its best people and so would sensibly see to it that they are well-positioned to bid for the good jobs; it would,

however, be counseling, not planning. Fixed-term renewable contracts would provide the mechanism, for periodic discussions on terms and conditions, something that all organizations will need as the individualized contract of top managers filter down to the middle ranks.

No life-time employment would mean that organizations would increasingly offer jobs, not careers, to people both inside and out. There would be no guarantee that this job would lead to that job or, indeed, to any other job at all. There might be a fixed term put on the job, as we already do for many top jobs, or it might be left indefinite with a notice clause. People would then understand that they were employed to do that job and do it properly, not as a 'placement' en route to the ultimate 'real' job.

More people might then be around long enough to see the result of their decisions. This would be a nice change from the tradition that really high-potential executives celebrated no anniversaries in the same job. The culture of what my oil company called 'patience' and I dignified with the phrase 'deferred gratifications', or 'heaven later but not now', would give way to a custom which said 'make the most of this job because if you don't it will be your last'. There would be a new sense of urgency and of living in the present.

Many, however, will feel that the abandonment of the concept of life-time employment will leave their business open to exploitation, that they will lose control over their staff, that short-term expediency will dominate personnel decisions instead of long-term development, that the best will leave, that their culture will be eroded and their tradition undermined.

When top managers say such things I am cynical enough to think that maybe life-time employment was always really about control and containment, the easy marshaling of a corps of loyal retainers, and not about the best use of talent.

And did it work even as a means of control? Did not the best sometimes leave? Were personnel decisions never short-term expedients? Were they never held to ransom by great talent about to leave or to enter? Was it not always a bit of a myth?

And then I reflect that the armed services moved to fixed-term contracts in the early fifties when they realized that they needed lots of young talent and relatively few oldies. I reflect that the world of the theatre, of journalism and the media have always worked this way, as have the professions, consultancy firms of all descriptions and, more recently, the money markets. Strangely, or not so strangely, they are all areas in which the British excel - and have they ever been short of talented applicants?

For the best of the British organizations do not depend on deferred gratification to keep their people loyal. They do it through an immediate

commitment to the task and to the philosophy of the business. The best do not need to have been around the same place for 20 years, with 20 years to go to imbibe the culture. In a good organization you can pick up the whiff in minutes. The best know that talent can be spotted, encouraged and given space to grow.

And the best of the British people no longer want to bind themselves to any organization for life, no matter how wonderful or all-embracing it claims to be. These people want to control their own destinies. Their loyalty is something that the organization needs to earn, it cannot be bought by the promise of security. Indeed, to them security lies in their talent, not their contract. They would today be dismayed to find a pension scheme in their joining package. The best want jobs that they can get their teeth into, jobs where the results are the evidence of their worth, not some appraisal scheme - and they want those jobs young. Patience is not in their vocabulary, nor is life-time employment. Perhaps they are right.

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whatever they decide, it only applies for that quarterly payment. Three months later they have to decide all over again.

That's the theory, anyway. In reality, every Semco unit has always decided to split the money up evenly. That means everyone gets the same amount. Not the same percentage, the same amount. Someone making \$10,000 a year receives the same profit-sharing check as someone making \$100,000 a year.

This is not how profit sharing conventionally works. Many companies simply take a percentage and then apply it to an employee's salary, which makes profit sharing more valuable for those at the top. Our employees have skewed the system the other way, which is fine with us. Now profit sharing helps balance our salary structure and enables us to recognize and reward those without fancy degrees who nevertheless contribute ten hours of their best effort every day.

As principal shareholder and patron of SemcoPar, I have to admit I initially thought 23 percent was awfully high. At other companies it runs between 8 percent and 12 percent. But I kept telling myself I stood to make at least as much money in partnership with a motivated work force as I would as the sole beneficiary of the fruits of less-inspired workers.

What would you rather have, the tail of an elephant or the entire ant?

VITALIZING WORK DESIGNS - Carol Sanford

As I communicate with business leaders around the world, I never cease to be amazed with the faith and courage they leap into a new approach to improving their businesses. I am equally shocked at how little understanding they have of how to assess any particular approach and the potential it may offer. Many programs are adopted in the name of Learning Organization, Continuous Improvement, etc., which suggest new improved results and improved work environments. Many of these are really only repackaged or redecorated versions of traditional methods these leaders are seeking to escape. It finally occurred to me that leaders do not have a set of guidelines for assessing whether the method they have chosen has a sound base in its design. This article offers a structure for assessing the likelihood of a given approach taking an organization toward becoming more "developmental," i.e., more capable of continual evolution toward higher-order capacities and results.

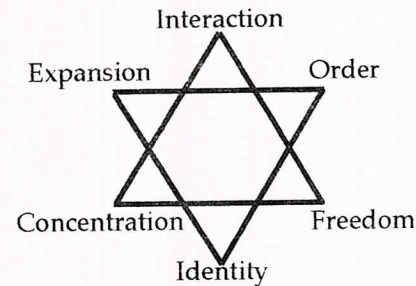
There is a common set of principles among most so-called new work designs that is likely to lead an organization away from becoming more developmental in its approach to work. These principles cause limitations from the outset in many of the same ways that traditional work systems do. The traditional as well as most new designs are rooted in behaviorist philosophy. Behaviorism itself has a limiting set of principles and methods when applied to business environments. Behaviorism is the branch of psychology associated with Pavlov's finding that dogs salivated when the feeding bell rang and with B.F. Skinner and his study of rats in mazes. This legacy offered us a psychology that is based on the study of lower animals. Despite this, much of this body of work has found application in the workplace. This would be fine if our organizations were operated by rats and chimpanzees.

Exploration of a few of the tenets of work designs based on behavioral psychology can help us to understand the limitations of the principles offered and why so much potential cannot be realized through these designs. As a means of contrast, we will examine the principles underlying a developmental philosophy. The developmental philosophy is based on open systems designs and works on the development of whole persons. A developmental philosophy starts from seeing people (and businesses) as having open-ended potential to develop themselves and their capacities to *do* and to *be*. The tendency however is to become static in our work and our approach to work, especially when we are part of a large system. A Developmental Philosophy leads to work designs that continuously evolve the way of working and expands the potential of value-adding processes and the potential of organization members to evolve that potential.

Six Improvement Targets of Work Design

As a way to compare the different underlying principles, we will compare six universal arenas in which businesses seek to be successful in work design. The first three, Interaction, Concentration, and Freedom, are related to particular outcomes or results that are sought from a work redesign or design. The second three, Expansion, Identity, and Order are related to capabilities that must be built among the members of the organization for the work design to be effectively realized.

1. **Expansion.** The expansion of opportunity for individuals to contribute to the organization is one



of the objectives of any new work design. It is now widely accepted that employees have been underutilized in most work settings, and most new work designs introduce systems in which employees have enormously expanded opportunity to use their skill and knowledge. People are able to develop themselves within the new system and to the full extent of the system. A common example of this is a skill-based pay and progression system which creates a thorough listing of the skills and/or knowledge that is to be developed by the workers, along with a system for certification of competence for each block.

A developmental philosophy sees the capability of people and their ability to contribute as open-ended. (And pre-specified system of development, such as a Skill Block System, by its very nature provides a barrier to the very development and contribution that is sought from people placed within it.) Using a developmental philosophy, the design of the work and the development of work systems unfold, and with this unfolding, each person discovers new potential in self, product offerings, and markets as development occurs. Each individual is always working from a developmental plan with an interactively developed yet self-determined business contribution goal and a unique set of capabilities to be developed. The system that enables this development is not a matrix of cells, each with pre-specified skills and knowledge. Rather, it is one of guidelines regarding the nature of work arenas which, given the evolving values of stakeholder constituencies, serve as appropriate areas of contribution. This approach provides boundaries that ensure appropriate thrust toward business objectives is maintained even as individual creativity is nourished.

On the surface, these may not seem so different. Philosophically, however, they come from very different paradigms. One sees development as occurring *within* a system, with the system as the starting point of development. The other sees individual development as the means of evolving the system and each person is the starting point of their own development and the evolution of the system. The behavioral philosophy of designing a universal set of skills and knowledge through which each individual progresses, tends to homogenize the skills and knowledge of all persons within the system. Skill Block Systems and knowledge-based pay and progression systems or any system with predetermined standards tend to work to limit the possibilities of truly tapping and developing the full *potential* of people, businesses, and markets. Such logic is flawed because the business environment in which people work is dynamic and changes more rapidly than any prescribed system can allow for. Predefined systems can only be based on yesterday's ideas of needed skills and knowledge. Open-ended systems provide choice for working on the future.

2. Identity. Leadership in new work designs seeks to have people in the workforce identify with work and activities that are more conducive to increased flexibility, increased skill level, and increased accountability. The primary means in a behavioral-based system is one of establishing role models and of reinforcing behaviors that most closely approximate a desired behavior. Examples from such systems include evaluation procedures that specify desired behaviors, rating and ranking systems that honor those that achieve higher levels of frequency in being appropriate, and reward and recognition programs to single out those individuals or groups who most exemplify desired behaviors.

A developmental philosophy eschews role models as the very antithesis of what is needed for success - the unfolding of uniqueness. Attention is given to helping everyone in the organization increasingly discover their own uniqueness and to embed that uniqueness into the organization, its product offerings, and processes. No energy is put into comparing people as individuals, groups, shifts, or other collectives. Systems or processes that assume people should pursue modeling themselves after someone else are disassembled. There are no "low" or "high" performers, no "difficult people," no behaviorally-based categories at all. No tests are provided to help people discover what "type" of learner or manager they are. Emphasis is on the uniqueness of each individual and finding more ways for that uniqueness to be embedded into the life and outputs of the organization.

In behavioral-based work designs, it is also common to form teams out of crews that can rotate shared assignments. One result of the rotation design of teams that are based on shared shifts and

work functions is that the individual's *will* tends to become subordinated to the collective or team or organizational *will*. The *will* we are speaking of here is that force or motivation that makes each of us unique - that causes us to be drawn to pursue particular interests and causes. It is the source of tenacity, creativity, and diversity. Most businesses have no idea how to maintain individuality while developing teams, so they unintentionally create work designs that effectively obliterate individual identities or essences - often more than traditional work designs do.

This collectivizing of *will* is accomplished through team building, consensus building, and by rewards for team and organizationally valued behavior, and by condemnation or punishment of undesirable behavior. This subordination of the individual to the whole is fundamental to most team designs where multi-skilling processes seek to gain uniformity and flexibility of performance. Unfortunately, this process is also a source of loss of individuality in terms of questioning of procedures, expression of uniqueness possibilities, and innovation regarding processes of work.

Another example of how this occurs is through the use of one of the numerous typologies for assessing personality style that exists today. The Myers-Briggs analysis is one example. These typologies focus on the surface or functional aspects of a person, moving people away from exploring their uniqueness as individuals and their own inner processes. The categorizing of students in schools and the classifying of people in workplaces has tended to cause us to see ourselves as static (as being of a particular type) rather than as evolving persons. These same processes cause us to see ourselves as common and definable by externally determined standards. When these assessment models are used in organizations they contribute to a field of external judgments whereby we see people as types - one of a limited number of categories. The life of a person is thus reduced to a box or a rank. These models are the thieves of developmental processes.

3. Order. Whether to meet legal and regulatory mandates, or for reasons of human relationships, there is a desire to have processes that provide order to work, and to ensure fairness in dealings. In a behavioral-based work design, order is developed and maintained through standardization, proceduralization, and classification. As mentioned above, people are placed relative to one another within a system and there is an attempt to treat everyone using the same procedures. Additionally, work is standardized and proceduralized in an attempt to ensure adherence to specifications. Over time, however, such routinization tends to invite a loss of meaning and creativity in all who engage in the work.

In a developmental-based system, order is

maintained by connecting everyone in the organization to the marketplace and the stakeholders who seek a reciprocal relationship with the company - e.g., investment dollars for a return, public services for a tax base. Each individual is connected in an intimate way with these stakeholder parameters, and is involved in designing work to best achieve the collective effect sought by stakeholders. Such a system is a very powerful organizer of work and one which every entrepreneur understands well.

In a behavioral model, as exemplified by a socio-technical system, the ordering emerges from structuring of the organization that is imposed on the individuals. In a developmental model, the order continually emerges from individuals through their living connection to a dynamic and evolving environment. One is a closed system, that pauses every so often to allow in new information - then to restructure the standards, procedures, and classification. The other is a living system, with a constant and immediate lifeline between the sought value and the work of the employees who are the source of those values being realized.

4. Freedom. New work designs are most frequently initiated from a desire to have a business that can extend the arenas and timeframes over which they can successfully exert influence. This may be stated in terms of increased markets or market share, new customers in new categories, improved relationships with regulatory agencies, or even better relationships with the workforce directly or through their representative unions. In a behavioral model, this freedom is sought through increasing the understanding of the realities with which they must engage through improved exchanges of information and measurement systems. Examples of this are increased availability of competitive information, customer information, and technological knowledge. All the senses are put to work in the search for better, more current, and more accurate data and information which can be distributed to the organization in a usable form.

Organizational designers are always looking for ways of instilling more degrees of freedom that enable people to conceive of and "go for" the impossible. The limitations that traditional organizations have placed on performance of work have also placed the same limitations on the working of the mind. As a result, people working in traditional organizations tend to apply their creativity to endeavors outside of work. In behavioral work redesign, there are attempts to overcome this "tunnel view" by increasing participation. Employees are encouraged to contribute ideas and to become involved in creative solutions to problems. In a developmental model, freedom is seen as coming from the development of other intelligences that are no longer a part of our educational, societal, or professional training. Freedom comes from moving

from what Edwin Abbott calls a "Flatland" or two-dimensional view of the world to a perspective that sees the dynamics of the world from escalating levels of complexity and significance.

Each higher level of worldview reduces the restraints we experience in being able to understand or come to terms with very complex phenomena and the workings of complex systems. The technologies that emerge from a developmental philosophy contribute to a capability to understand all the levels of reality that are creating physical world dynamics. This capability provides the base from which we can create more whole solutions to problems and more creative product offerings to the stakeholders of our businesses.

Behavioral philosophy work designs have incorporated the behavioral tenet that *reality* is something that is universal for all persons. All reality is seen as observable by the senses and can be experienced directly. This view of reality tends to exclude the inner workings of the mind and emotions and, therefore, excludes work human beings can do in regard to management and development of self beyond functional aspects. The sense-based form of reality also tends to make it difficult for us to see the "reality forming" processes that go on in our minds - unobservable by others and ourselves without the development of the skill to do so. Recent research has demonstrated a "reality" that is highly interpretative - one which is at least partially constructed by the filters and mental models through which we view the world.

5. Interaction. New work designs seek to provide for significantly improved communication among and across work groups. With communication there comes a better alignment between individual and organizational goals. These interactions include performance feedback among peers or between levels, task forces between departments, or the collection of additional customer feedback. In a behavioral organization, interactions are designed to improve the ability of individuals and teams to better understand how they are viewed by others, and to provide motivation for improvement based on external reflection.

Behavioral-based designs seek to create motivation through the use of external or environmental reinforcement. Achievement is seen as something people do to maintain inclusion by their peers and superiors. In behavioral psychology, there is no concept of a larger system in which the smaller system exists and with which the smaller system acts reciprocally. As a result of the emphasis on external evaluation, it has become increasingly difficult for persons to be accurate about appraising their behavior, even in such physical and functional arenas as whether they are on time for a meeting.

There is a culturally-derived tacit assumption

in most organizational settings that human beings can *not* be self-governing or self-auditing because they can not be objective about themselves. This is partly true, but not innately so. With humans, if this ability is not developed in us from childhood, the capacity to be self-reflecting (self-observing and self-remembering) steadily diminishes. This is particularly true when our primary source of reflection is external (e.g., from others' interpretation of our actions). It is particularly true if the feedback focuses on elements that tend to pull us away from that which feels intrinsically self-integrating. As humans, we have a desire to realize a sense of integrity between our values and our behavior, even when we have to learn the "hard way." Individuals, through self-governance, can engage in a process of self-reflection and move themselves, over time, toward a pattern of behavior they consider to be more in line with personal values. This cannot be achieved through external manipulation. Only the individual can tell what is uniquely integrating for him/her self. This is a core life exercise in development of self-accountability. The behaviorist model works against creating self-accountable behavior through institutionalizing reinforcement and external feedback to create "other accountability."

6. Concentration. New work systems are based on the hope of producing products and services with the least possible waste, the fewest errors, and with the most effective return or yield from our efforts. In an effort to gain the highest efficiency in the early years of industry, much effort was put into breaking down the work into smaller and smaller units. New work designs have made an attempt to re-aggregate the work into more meaningful units called "whole tasks." An example of this attempt is seen when a person on a machine will do all the jobs related to the machine including beginning to plan the work itself or maybe even ordering some of the materials that are needed to do the work. All this, however, is structured within what can be managed by a team in the same physical location and usually on the same shift. Work is not redesigned; only the people who do the work are simply redesignated. The same work and same nature of work is done.

The thinking processes employed for doing the work are not changed. The thinking now only covers a larger number of tasks which are still seen as functionally divided from the work of other functions. The primary mental process that is utilized is one of the elemental mind. An elemental view emanates from the paradigm that presumes only parts exist - not wholes - and works to understand phenomena exclusively by reducing wholes into parts. In an elemental view, any summary of the whole is seen as accomplished by adding up of the parts. Parts tend to be viewed as fixed and unchanging. We describe what they are,

not what they could be. Most feedback processes, goal setting, and measurement systems are based on an elemental view of the world. The initiatives to be acted on and measured are studied and implemented in a largely fragmented way. Organizations divide feedback forms into each type of behavior, and goals by target areas. This segmentation sounds reasonable, but it leads to the illogical conclusion that there is no difference between a comfortable house and a pile of building materials, or between a frisky mouse and a test tube full of chemicals.

The difference, of course, between the molecules in a mouse and those in a test tube full of chemicals is organization. The molecules in a mouse are organized in a precise and complex way, while those in a test tube are just sloshed together. Most leaders realize that it is important to understand how the pieces fit together, at least in their own field; but they are still mostly concerned about the "parts" rather than about the "pattern." Behavioral philosophy work designs do not manage to overcome the reductionist view or elemental view of the world inherent in the modern culture and organizational operations.

In behavioral philosophy, there is a search for the causes that produce the effects as though cause and effect moves in a linear path. In the physical and non-physical world, the causes for any effect emerge from many interacting elements occurring simultaneously, as well as from the anticipation of events not yet in existence. In order to bring change to an element of a system, we must consider the dynamics of the whole and work in a holistic way. This systems view enables us to design change from an integrated perspective, but requires that we let go of the security of programs that focus on specific functions, classes of people, and classes of problems. Isolated measures must give way to whole systems measures that track the overall progress of the system.

In a developmental philosophy, just as there are different levels of reality from which we can gain understanding of the dynamics of the world, there are different types of work to be done. At a minimum, there is the work that improves what already exists. This is different from the work necessary to create a new existence - raw materials, technologies, and product offerings that do not now exist. In traditional organizations and even newer work design systems, these are divided among different functions and levels of the organization. In a developmental organization, all are working on both of these as well as on other types of work, without regard to their level or function.

THE TRUE WORTH OF PRODUCTIVITY -

Over the years in organizations around the world we have lost more productivity from sheer boredom than through any other factor. Man inherently wants to be productive and yet no man or woman has the divine right to demand productivity from another. That is simply demeaning.

As Cashbuild managers we managed to liberate the productive forces through:

1. Allowing initiative. Participative workshops, by focusing on the people who did the work, redesigned our entire creditor's system with a commensurate annual saving of some \$80,000. That was productivity.

2. Re-instating distributive justice. This was achieved through profit sharing for all. We reinstated a collective, single-minded orientation towards wealth creation in the form of sales-related bonuses. Despite having paid out some 12.5 percent of net profit before tax in 1986, the wealth created was 29 percent return on sales. That was productivity.

3. Offering security against destitution. Staff turnover of 126 percent p.a. in 1982 was turned into 9 percent p.a. By 1986 the resulting savings in employment costs led to a commensurate increase in bottom-line profit. That was productivity.

4. Liberating creative focus. By allowing people to have a say in their working lives, and allowing people to make mistakes, we built up a significant number of future managers from the ranks; managed to disperse a great deal of knowledge of our basic business function to a great number of people within the company; redesigned the organization from a mechanistic to an organic one, with a redefinition of command levels and functions; and our business strategy flowed from culture rather than culture from strategy.

All these points emerged from discussion upon discussion with our people where communication, information-sharing and creativity was the aim, and trust building was the target. This was productivity.

Summarizing the discussion so far, I have spoken in the main about empowerment:

- Liberating initiative and creativity
- Developing a sense of individual worth
- Transferring the axiom of externalized control to self-control and self-discipline
- Creating a sense of involvement and justice/worker involvement and leadership:

- Power bases in the organisation
- Commonality of purpose/ cause and aspirations
- Seeing people as people not as extensions of machines
- Visionary ability
- Changing from a closed organization to open systems

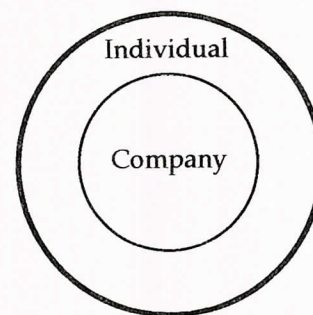
These two elements provided us with great challenges as managers of change in a transcultural context. It required an inordinate amount of patience, and skill to transform our organization from the closed mechanistic system of old to the new open and organic one.

Before we move on I would like to share a story with you which I experienced in Vryheid, in Natal. Upon asking Petrus, our yard foreman, why he was so lazy and why, in the main, most workers appeared to be so tardy he replied, "I've got nothing to work for. You see, Mr. Koopman, where I come from I'm used to looking after the wealth of the people - cattle. As a little boy I had to look after three or four herds on the common and ensure their safe return. The elders would always ask me whether the cattle grazed well and to which patch I was going to take them the next day. I really felt responsible for those cattle. But in my job the company does not let me feel responsible."

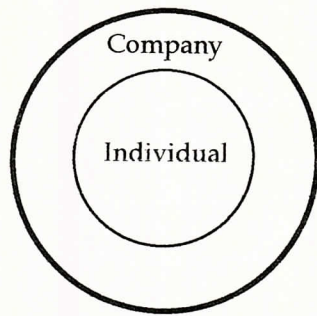
This view was quite strange to me at first. Firstly the man told me he had nothing to work for and in the second place he said that the company does not let him feel responsible. So, if responsibility is something which is given to him through trust which he earns, and through the common feeling he has about wealth (shared with the elders) then his resulting view is that he'll be responsible for guarding the wealth (something to work for) through that trust, and not because of it. A very important finding.

We can now see how communal people are people of process whereas individualism implies systems. This, in turn, throws an entirely new light on the use/abuse of power and authority which the change manager will have to be aware of if he is to "de-bureaucratize" his organization. I'll explain more later.

Let's think about it. In our example the man in fact said, "I would like to care for your business (wealth) but it appears that you don't allow me to." His view is illustrated below.



And when we really look at it, we see that our typical Western organization says quite the opposite. "Look at all the benefits, the company will take care of you."



This view, illustrated in the second diagram is extremely paternalistic. Why? Let's go through the argument. The employee says "You said that your company looks after me - that focuses in turn on my individualism and will become a self-fulfilling prophecy. Why should I have any regard for the company's objective? You've told me that I am the kingpin as long as I look after my job."

The company says "Here's a discounted housing loan at 2 1/2 percent" but in its hidden agenda it implies "forever be thankful toward us. We have just bought your moral soul. There will now be less chance of you leaving us by virtue of the financial attractiveness of the deal. In fact you can't leave or express your free will, no matter how unhappy you are because where in the system will you find another such deal? Your work ethic has been successfully destroyed by this bureaucratic company."

The company says "I'll give you life assurance, medical aid and pension fund - all paid for by the company. What the company really says in its hidden agenda is "We don't believe you are capable of looking after your own life. Our view is that you are irresponsible and that you should remain compliant. We will remove your human dignity and your right to suffer the consequences of your own errors of judgment."

On and on and on it goes. Individuals lapse into compliance, conformity and submission in order to keep things under control for the organization. Companies have truly created modern-day slaves by virtue of this paternalism. No wonder there is such low productivity because there is no sense of freedom to be enterprising.

Take another case of extreme paternalism. In South Africa we find liberals who believe that freedom of individual rights can be attained by merely undoing a system. Take this particular General Manager of a mine who mixes with such liberals. He is one of those people whom I normally define as "being comfortable in his Jacuzzi spa whilst Soweto is burning" in other words, totally out of touch with the real world. A typical quick-fix gentleman, he came into work one day, where he commands a work force of some 9,000 people, and declared the canteen open and multiracial. He thought this instruction would be enough. After all, he is the boss! Problem - there were actually people working there, real people,

people with prejudice, people with hope, love and hate, all of whom were now to use the canteen on a multiracial basis. Eventually, I was called in to advise how to go about it, because they just had the biggest racial fistfight you could imagine, and the mine was on strike. So much for "Jacuzzi" decisions. He wanted to do things right, he wanted to move forward and undo racial prejudices, he wanted in fact to let the people see how kind and liberal he was. And it backfired. Why?

It was a top-down decision. No one was involved democratically. There were no superordinate goals. I suggested that the approach he should follow should be to say: "It is my intention to have the canteen open to all races" and then ask willing consultative groups to come up with suggestions. This he did as a project for seven months. Simple rules of the game emerged. Rowdiness will not be accepted as a norm, no overalls, only clean casual clothes; no weapons on the premises, etc. All the little issues that are so important in people's minds but for which the boss has no understanding. The canteen became non-racial and they have never had an incident since! In fact he empowered people to take charge of their own lives by letting go of his paternalistic attitude and by allowing people the freedom to be enterprising. It's as simple as that.

Debureaucratizing the Organization

A fundamental requirement in establishing a performance-based culture, and an effective reward system, is to debureaucratize. It is necessary to get rid of all the rules, procedures, and job descriptions which so often define and limit the parameters of an employee's contribution to the organization. In essence, Debureaucratizing requires a shift from a mechanistic/role culture toward one that is more organic/task-oriented.

Mechanistic/role cultures tend to offer the employee security and predictability: a constant rate of climb; reward for satisfactory rather than excellent performance; and dependence on organizational and managerial capabilities rather than individual capabilities.

Debureaucratizing moves the organization towards a more task-based culture where the emphasis is on getting the job done, rather than expending energy in adhering to rules and procedures. The task culture uses the unifying power of the group to improve effectiveness and to identify the individual with the organization's objectives. Decision-making is therefore contained in the group, and individuals gain a high degree of control over their work.

By removing unnecessary rules and restrictions an organization becomes more capable of being adaptable and sensitive to the dynamic challenges of the larger environment within which it has to operate.

Over the past few years Cashbuild has concentrated on ensuring that all employees are aware of the outputs expected from them as a team and as individuals. The focus has constantly been on living the organization's philosophy, which is based on respect for human dignity and principles of excellent performance.

Cashbuild's approach to rules and job descriptions were clearly illustrated in my reply to a consultant who wanted to sell me a package of job descriptions and position charters. When he asked me whether I had job descriptions, I replied, "No, we don't need them. The jobs people do define their job descriptions."

Rather than box people into rigid job descriptions, Cashbuild has given people the authority, responsibility and freedom to do what is necessary to achieve their objectives as a team, with minimum interference from management's side. This absence of rigid structure, rules and bureaucracy has not resulted in a chaotic or disorderly situation, but rather freed the spirit of people to truly channel their energies towards performance levels of which they and the organization can feel justly proud.

Development versus Judgmental Focus

Reward systems in many organizations are determined by performance appraisals, in which managers judge an employee's performance over a period of a year and give merit increases accordingly. Most of the systems seem to become judgmental and the employee feels threatened and defensive about his or her behavior. This leads to the common situation in which employees feel victimized because a manager focuses appraisals on the things they did wrong during the course of the year, so that he/she can contain the merit increases at the lowest possible level and in the process meet his/her budget constraints. The result of this is that employees are often afraid to make mistakes or are inclined to hide errors from management for fear of the dreaded performance appraisal. This stifles initiative and reaffirms the employee's perception that, regardless of performance, the appraisal will ensure that he or she will end up with the same across-the-board increase that everybody else gets.

Cashbuild's willingness to allow employees to be involved in setting targets, its encouragement of innovation and contribution by the work force, and its acceptance that errors might occur, ensured that workers felt that the emphasis on the business was developmental rather than judgmental. Cashbuild did not ignore errors or fail to reprimand poor work performance but it was more inclined to concentrate on constructive behaviour and on providing positive consequences for positive contributions.

Team versus Individual Rewards

The Western ideal of rewarding only individual performance creates a variety of problems. For

many employees it is unacceptable that they should be distinguished and singled out from their peers for their individual performance. In the South African context this often means that they will be seen as siding with management and consequently siding against their fellow workers.

Rather than seeing this need for collective identification as a hurdle, Cashbuild utilized it as a major source of energy. A significantly large proportion of employees prefer to stand out inside the crowd rather than to stand out from the crowd. It therefore made sense to allow people to strive for incentives and improved rewards as a team rather than as individuals. This does not negate the fact that people are individuals or that they have unique needs and aspirations. It merely states that these unique needs and aspirations may be easier to achieve within the collective effort of a group or team. Cashbuild's reward systems are therefore geared to rewarding team achievements whilst also rewarding individual contributions to the improvement of the functioning of the team as a whole. In this way poor and mediocre performers are encouraged to raise their standards, in contrast to the situation where high performers lower their standards to maintain their identification with the group.

Rewards are given to the team for activities such as systems improvement and debureaucratization, reduction of shrinkage and waste, increase of sales, etc. These rewards are also passed on to the system as a whole in terms of the success of the entire business, which encourages cooperation between various departments and business units.

Although Cashbuild concentrated on developing purposeful teams and establishing team effort, it also encouraged individual growth through various systems of succession planning. Positive behaviour by any individual, such as displaying a concern for the company as an economic unit, was also rewarded, and this was found to be totally acceptable to the work force in general because it showed a concern for the team rather than for personal benefits only.

Conclusion

To match the internal workings of the organization with the external demands of the community is indeed a daunting task for the manager who has to manage across cultures but nevertheless it is an exciting experience. Different countries have different cultures and in conclusion I add that policy within the organization is set by the individuals' interpretation of the current macroeconomics and political background of their particular country. The closer one walks amongst the people, however, the more one realizes that another dimension needs to be added to good policy and that dimension is human endeavor. We have not even begun to utilize the

(Continued on page 23)

THE MOTIVITY FACTORS - John Epps

What follows are several keys to motivation. They are NOT however, "ways to motivate people." You cannot motivate someone else. That comes from within the other person and no gimmicks can infallibly produce it.

But what we CAN and MUST do to promote corporate excellence is to create a motivating environment, a working situation in which the best is elicited from people, a workplace that draws out the interior drive, creativity and passion that is in us all.

The motivity factors are: TASK, TEAM, SPACE, TIME and STORY. The first is the most fundamental; the next three are contributing dynamics, and the last is the most inclusive.

THE TASK

The task is a key factor in motivation. People who sense the significance of their work will perform it with considerably more creativity than those who see it only as a necessary means to some other end. And in today's society, virtually every task contributes to the well-being of the whole.

On the more immediate level, the practical problem most often arises in allowing employees to see the worth of their work. For all its merits the assembly-line approach to manufacturing has one glaring defect: workers see only a small part of the process of which they are a part. Forward-looking operations are providing more opportunities for people to work on more integrated tasks while automation handles the repetitive particulars.

Management's role can be immensely helpful here. It is necessary, but not sufficient, to affirm at every opportunity the significance of the task for every level of the organisation. A healthy dose of appreciation is good medicine for everyone, and coming from management it contributes to self respect of the staff. Everyone on the company has an internal sense of being indispensable to effective operation, though it is most often concealed. Taking pains to recognize the real worth of the job and its superior performance creates an environment in which motivation occurs.

But it can't be mere lip service. The manager who won't "condescend" to working on the line or going on a sales call or typing a letter or emptying the trash is not-so-subtly communicating his disdain for those who perform these functions. Better not to affirm these positions than to talk about them and then to show by actions that they are "beneath" you. Management perks are wonderful inventions until they lead to trivializing the tasks others perform.

Recognizing and honoring the significance of the task at every level is a basic and necessary foundation to a motivating environment. Without it, whatever incentive or threat is provided will only be minimally effective. Task significance is the most basic factor in motivation.

This point requires some clarification. I am not talking about naive or Pollyanna-type praise, overlooking the dark side of the work. That will not

wash. People are too lucid to be conned by false appreciation. What is required is a particular perspective, a foundational appreciation for reality. No task or job is so significant as to give the "meaning to life". Every piece of work has its negative aspects, and none will endure infinitely, however great its momentary contribution to society. Remember the blacksmiths when the automobile hit the scene. Neither is any task "pure", i.e. without moral ambiguity; this is what gives company critics their sting.

At the same time, every bit of work makes a real contribution to the whole of society or it wouldn't be there. Counter-productive activities have a way of self-destruction. Deciding to do a job is a moral decision, and the plusses and minuses have to be weighed. No manager can take away that responsibility from the workers. But we CAN highlight the value that is generated from the job and emphasize its societal worth. The environment that respects, honors and celebrates the organisation's value to the larger whole is one that will draw out people's latent motivation.

THE TEAM

Not only do teams perform more productively, they also form a "spirit" or morale factor. People are able to communicate with peers about issues, whether personal or professional, that affect their work. There is a group to "report" to which has some stake in one's efforts. There are others to learn from and to teach. And there is an intimate group which holds one accountable. All these are important on the environment which maintains high performance levels.

Team-building is an art that has many fine resources. This is not an attempt to be exhaustive in delineating them. But here are a few clues:

- Brainstorming is a good way for ensuring participation.
- Discussions that don't require final decisions often build consensus.
- Voting creates winners and losers; consensus creates win-win situations.
- Meetings require preparation and attention to both rational factors and drama.
- Celebrations after victories build spirit; before campaigns, they instill confidence; for no reason at all, they provoke appreciation.
- Sensitive issues can be talked through openly more helpfully than behind closed doors. Get them on the table.
- Where there is no consensus on an issue, acknowledge the fact and, if you're the manager, make the decision.
- Ongoing study or research, even if informally done, helps solidify a team.
- Group acknowledgment of its accomplishments and failures allows it to proceed in a creative fashion.
- Defensiveness, back-biting, griping, personality conflicts, and dishonesty are disruptive to teams.

• Rotation of leadership roles gives everyone an increased sense of responsibility.

• Accomplishment of the assigned task is the *raison d'être* of the team - - it's not a personal counseling centre nor a gossip club.

• In effective teams, "whoever sees the need, does the deed."

• You can work with people you don't like, so long as you are all committed to the task.

These are 14 points about team life that are not usually found in management books.

THE SPACE

Where are you? The answer to that question has much to do with your motivation. A significant factor in the motivating environment is its SPACE. This has two dimensions: internal and external.

1. Internal space is that portion of geography in which your mind functions. The principle is: THE LARGER THE INTERNAL SPACE, THE GREATER THE MOTIVATION. If a person is operating internally only in the space of his or her desk and home, then that person's motivation is restricted; on the other hand, if that person's internal space encompasses the community, the nation and the world, then the motivation is far, far greater.

In point of fact, each of us DOES occupy geography that is part of the community, the city, the state, the nation, the hemisphere, the globe, the solar system, the universe. And however minuscule our physical location, it is still part of a whole. Recognition of that fact in our mental operation works to promote a sense of participation in a cosmic venture and so gives both perspective and significance to our actions. Perhaps my location is tiny - - therefore not worth getting unduly upset about; but it is also part of the globe and therefore immanently worthy. Something like that paradoxical perspective is what provides a key to lasting motivation.

If you notice someone working only for the self, you notice a certain level of commitment; if the context is expanded to include the family, you will note the motivation expands. As the context increases, so also does the level of passion, commitment, creativity, and sense of significance to the work. In short, everyone longs to matter, and perceiving one's real relation to space is a way for someone to sense his or her contribution to life.

So how do we as managers expand the operating context of staff? Maps are a useful tool. Many organisations display maps showing their branch locations or international affiliates. Talking about world news and its relation to the company is another method. Making trips, hosting foreign (even if only from the nearest branch) guests, getting international business journals, listening to international news reports, doing feature stories on your international employees, all these are ways to highlight the fact that your organisation is related to the larger world and makes a contribution to it.

One caution. Start slowly. People's context

expands stage by stage; we are all born with a suspicion of that which is "foreign." So perhaps the first stage is to highlight the relation to the community in which you are located. Then move to the national scene and later to the international. You are not trying to browbeat people into recognition of their global responsibility, but to allow it to emerge. Curiously, the recognition of wider contexts does not negate the local ones. Being a global citizen doesn't lessen one's particular obligations and relations. In fact, the self and the family INCREASE their significance when seen in terms of their world-wide relation.

2. External space is another matter. The shift from a rural to an urban society has dramatically altered our internal and external space. In the rural, people had a very small internal space, but the external space was vast; in urban society, it is just the reverse. Internal space may be increasingly planetary, but external operating space is small — an office, an apartment, the inside of a car, a street. You can't see very far because of the buildings and the people.

It is the QUALITY of the external space that contributes to the motivating environment.

Unkempt space works on your motivation; so also does sterile space. The working environment has a subtle but powerful effect on motivation. It bombards us with images of what is acceptable, what is normal, what is desired, and what is required.

The least-considered aspect of the environment is usually the decor. Businesses seem to be great patrons of bad art. Maybe the boss's wife is a landscape painter. But do you really want people on the job dreaming of lovely landscapes?

The decor of an office, no less than its arrangement, affects the motivational level of people who work there. Working decor with charts, graphs, photographs and product displays tend to celebrate what people are doing and how well they are doing it. This is a subtle feedback that produces a sense of pride in the work. Significating decor with portrayals of the company's past (founders or products or accomplishments) and future (projections, goals, products) and context (the maps mentioned above) tends to make people feel they are part of something larger than the immediate task, and this contributes to motivation.

In principle, there is no reason employees should be forbidden to "personalize" their workspace with photos of home and family, etc. This is to be determined by the organisation within the bounds of good taste, but the context of the individual is not in competition with that of the organisation; they are complementary, or can be, if the organisation has decided to use its space resources well.

An example is the office building in Manila that replaces the floormats in the elevator daily. For each day of the week, there is a different quotation that appears on the floormat. Friday, "Thank God It's Friday," Monday, "Welcome Back To Work" and so on. Every day has an appropriate acknowledgment

of its significance, and it makes an impact on everyone who works there.

The external space of a job is motivating or it is demoralizing; it is not neutral.

THE TIME

The other contributing factor to the motivating environment is its time. Like space, this has an external and an internal dimension.

1. Everyone recognizes the extreme subjectivity of internal time. When things are going well, time flies; when badly, it drags on. But not everyone recognizes the impact of internal time on motivation. The principle is the same as for space: THE WIDER THE SCOPE OF INTERNAL TIME, THE GREATER THE MOTIVATION. People whose memory extends beyond their lifetime far back in history and far forward into the future are more likely to have strong and lasting motivation than are those limited to the narrow confines of the immediate.

When a person grasps his or her work as coming from a historical thread and lending support to a trend toward a distant future, then that lends significance to the task. It makes this a chairotic time — a time of special significance, a turning point for all time, a one-time chance. Living in the here and now as part and parcel of the whole sweep of time and space requires expanding our horizons; but it is nevertheless the real situation of our lives.

Now quite obviously, not everyone is a historian or a futurist. But the task of the manager is to highlight those connections of the immediate job with a broader sweep than just today or this week. What have been the notable changes that have taken place? How were they done? -- These and similar questions are good conversational material for coffee breaks. They are also good for getting the "old timers" to share their memories — these things have a way of informing us. And: What do you expect to see happening in 20 years? What will this company or product or service look like 100 years from now? Never mind that the answers may be absurd. This is not a planning session, but a time of appreciating the influence that the work does in fact have. Informal conversations can help to stretch our imagination.

What you are out for in these gimmicks is to extend internal time so that people can grasp their belonging in history. But you are also out to generate a sense of "nonchalant urgency," a style in which everything is of the utmost importance as if the whole future depends on it (as indeed it does), and at the same time, nothing matters too much since there is always tomorrow. Holding both poles of this paradox requires some gymnastics.

Face it. Most people have the relation to time that it is real only on weekends, holidays, and evenings — that the hours spent "on the job" are undesirable chores to be born in order to afford the other. What a waste! The motivating environment acknowledges the reality of "time off", but it insists that "time on" is not less important.

No one can alter the internal time of another; we can attempt to stretch the memory and expectations. What we can deal with is external time.

2. Everyone has 24 hours per day; external time is never the problem, despite the fact that "I didn't have time" is one of the three most frequently-given excuses for poor performance. Learning to be effective in managing external time is a necessary skill for management and staff. But there's more to it than that.

Routine is a motivation-killer. Whenever an environment becomes routine, predictable, repetitive, then it is no longer able to call out the best in us. For some reason, we humans thrive on SURPRISE! Injections of the unexpected from time to time keep us alert, creatively participating, and even having fun. Rhythm is the answer; of course, in any operation there must be regularity. The point is not to let it get boring. So do something unexpected once in a while.

THE STORY

Everyone lives out of a story about their life and what their work is about. A motivating story is one that allows the uniqueness of an individual to be affirmed. Much of what we mentioned in the previous four points is connected with developing the motivating story for a person's life. Each person has to create their own story, but an organisation can provide a context for that story.

The most effective way for an organisation to do this is to create a vision of what the organisation is about. And when the individual is allowed to participate in its creation, adding his/her own hopes and dreams, then that vision can become a living reality for the individual. A life committed to a significant mission is the true desire of everyone. It is the obligation of every organisation to help kindle that sense of mission in each of its employees. To the degree that it does this, organisations can create the environment that truly motivates its employees.

(Koopman, continued from page 20)

manpower resources and potential of people as elements on the economic structures of most countries. Whether this be within a capitalistic or socialistic economic order is secondary rather than primary.

To rectify this at the microlevel, organizations need to liberate human endeavor by true democratic means, by converging the purpose of work and the worker's purpose for ultimate productive benefit to both business and environment. Surely this will serve to give expression to the usefulness of work on the part of all individuals within the organization. At Cashbuild we said "To hell with capitalism or socialism." Human pragmatism was all that counted. We did it because it worked.

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