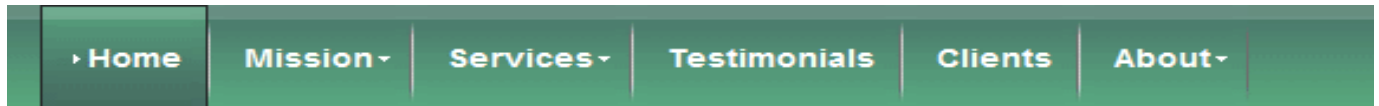


Focus

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Motivation 3.0

In America, 100 Baby Boomers turn 60 every 13 minutes. Until 2024.

In America, managers often complain that Generation Y workers (also called Millennials or Echo Boomers) lack the work ethic of older generations.

Now here's what's new. In America, both Boomers and Millennials are **redefining success** at work in similar ways. Neither generation rates money as the most important form of compensation. Instead, they choose factors like "great team" or "the ability to give back through work." This has profound implications for how companies must manage their people. What's going on here?

Best-selling author Daniel Pink's newest book *Drive* (2009, Riverhead Books) offers an explanation. Basically, what's going on in America is that the nature of work is changing from repetitive, rule-based activities to creative work. And, in a weird juxtaposition, the Boomers and Millennials are smack in the middle of this revolution.

Pink uses a computer software analogy to describe changes in the factors that motivate human interaction.

He calls the social operating "software" people used from 50,000 B.C. to 1900 A.D. Motivation 1.0.

Then, he argues, people became "profit maximizers" during the 20th century, using the term Motivation 2.0 to describe this period.

Now, a large body of research reveals we Americans are becoming Purpose Maximizers, and Motivation 3.0 is the best management model for the beginning of the 21st century.

Motivation 3.0 defines the tools for maximizing employee productivity today. This is important because most new jobs require creative thinking. For example, the global consulting firm McKinsey & Company says 70% of new job growth in the U.S. involves creative work. Also, "creative" has an

expansive meaning in this context. It means a degree of flexibility and autonomy in carrying out a job, as opposed to a rigid, rule-based environment.

Research begun in the 1970s and verified by recent studies describes three universal human needs: mastery, autonomy, and purpose. This matters at work. Smart companies support employees becoming really good at their job (mastery), offer opportunities for autonomy – that is, acting with choice, and tie things together under a common vision so employees can feel a sense of purpose. It's within this Motivation 3.0 framework that we find similarities in the Boomers and Millennials.

Readers might find the mastery, autonomy, and purpose factors logical for the Generation Y workers. But Boomers? Absolutely, and it makes sense when you consider Boomers are aging and with this perspective have learned that there's more to life than just a paycheck. Research confirms this. For example, a 2004 study by Cornell University looked at 320 small businesses and found those offering autonomy grew at 4 times the rate of the control group and had only 1/3 the employee turnover.

Unfortunately, as Pink says, there's a big gap between what science *knows* and business *does*. The science shows the secret to high performance is our deep-seated desire to direct our own lives (autonomy), expand our abilities (mastery), and live a life of purpose.

My take on the key points from *Drive*

The old carrots and sticks (Motivation 2.0) techniques are becoming increasingly less effective as the *value* proposition of work changes. Business must change fundamental assumptions about workers as the customer raises the acceptable performance level *and* places more emphasis on the service *experience* and customization.

Motivation 3.0 begins with the assumption that people want to be accountable, and giving them control over **task, time, technique, and team** is a pathway to that destination.

Think of money as a “threshold motivator.” Pay enough, maybe even a little above scale to reduce turnover, and then focus on intrinsic rewards.

Money used as an “if-then” reward (i.e., a carrot) can reduce a person's longer-term motivation to continue an activity. One often-cited example of this is that paying people to donate blood actually reduces blood donations because this turns an altruistic activity into just a financial exchange.

In all this change, it's comforting to know that Dan Pink's fundamental points echo what many leaders have long known and advocated. Moreover, in the 1950s Frederick Herzberg proposed the then-revolutionary Motivation-Hygiene Theory. In this model, hygiene factors included working conditions, pay, and the like; these were not motivators but, rather, in insufficient quantities, **de-motivators**. That is, hygiene factors were necessary but not sufficient to get the best performance from people. Motivation factors were intrinsic, like accomplishment, recognition, the work itself, responsibility, opportunity for growth, and promotion.

In these challenging financial times, it's also comforting to know a leader's most powerful motivators cost little: appropriate recognition, keeping a shared vision front and center, and frequent job performance feedback. Do that and your people will take care of the rest.

Tom Wagner

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