

Drive

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Summary: The use of rewards and punishments to control our employees' production is an antiquated way of managing people. To maximize their enjoyment and productivity for 21st century work, we need to upgrade our thinking to include autonomy, mastery and purpose.

Part One – A New Operating System

Chapter 1 – The Rise and Fall of Motivation 2.0

Societies, like computers have operating systems - sets of assumptions and protocols about how the world works and how humans behave that run beneath our laws, economic arrangements and business practices. There are three:

- Motivation 1.0 – presumed that humans were biological creatures, struggling to obtain our basic needs for food, security and sex.
- Motivation 2.0 – presumed that humans also responded to rewards and punishments. That worked fine for routine tasks but incompatible with how we organize what we do, how we think about what we do, and how we do what we do. We need an upgrade.
- Motivation 3.0 – the upgrade we now need, presumes that humans also have a drive to learn, to create, and to better the world.

Tasks can be divided into two categories:

- Algorithmic – a task which follows a set of established instructions down a single pathway to one conclusion.
- Heuristic – a task that has no algorithm, you have to experiment with possibilities and devise a novel solution.

In the U.S., only 30% of job growth comes from algorithmic work, while 70% comes from heuristic work. A key reason: Routine work can be outsourced or automated; artistic, empathic, non-routine work generally cannot.

External rewards and punishments can work nicely for algorithmic tasks but they can be devastating for heuristic ones. Solving novel problems depends heavily on the intrinsic motivation principle of creativity.

Chapter 2 – Seven Reasons Carrots & Sticks (Often) Don't Work...

The starting point for any discussion of motivation in the workplace is a simple fact of life: People have to earn a living. If employee compensation isn't

adequate or equitable, the focus will be on the unfairness of the situation. Without fairness in baseline compensation you'll get very little motivation at all.

But once we're past that threshold, carrots and sticks can achieve precisely the *opposite* of their intended aims. Rewards can transform an interesting task into a drudge. They can turn play into work. Traditional "if-then" rewards can give us less of what we want. They can:

- Extinguish intrinsic motivation,
- Diminish performance,
- Crush creativity, and
- Crowd out good behavior.
- Encourage cheating, shortcuts and unethical behavior
- Become addictive, and
- Foster short-term thinking.

These are the bugs in our current operating system. For those driven by intrinsic motivation – the drive to do something because it is interesting, challenging, and absorbing – is essential for high levels of creativity.

Goals that people set for themselves and that are devoted to attaining mastery are usually healthy. But goals imposed by others – sales targets, quarterly returns, standardized test scores, etc. – can sometimes have dangerous side effects.

The problem with making an extrinsic reward the only destination that matters is that some people will choose the quickest route there, even if it means taking the low road.

In contrast, when the reward is the activity itself – deepening learning, delighting customers, doing one's best – there are no shortcuts. The only route to the destination is the high road.

Chapter 2a - ... and the Special Circumstances When They Do

Carrots and sticks aren't all bad. They can be effective for rule-based routine tasks – because there's little intrinsic motivation to undermine and not much creativity to crush. You'll increase your chances of success using rewards for routine tasks if you:

- Offer rationale for why the task is necessary. A job that is not inherently interesting can become more meaningful if it's a part of a larger purpose.
- Acknowledge that the task is boring.
- Allow people to complete the task their own way (autonomy).

For non-routine conceptual tasks, rewards are more perilous – particularly those of the “if-then” variety.

But “now that” rewards – non-contingent rewards given after the task is complete – can sometimes be okay for more creative work. If tangible rewards are given unexpectedly to people after they have finished a task, the rewards are less likely to be experienced as the reason for doing the task and are thus less likely to be detrimental to intrinsic motivation.

You’ll do even better for rewarding non-routine, creative work if you follow two more guidelines:

- Consider non-tangible rewards. Praise and positive feedback are much less corrosive than cash and trophies.
- Provide useful information. Give people meaningful information about their work. The more feedback focuses on specifics and the more praise is about effort and strategy rather than about achieving a particular outcome – the more effective it can be.

Chapter 3 – Type I and Type X

Motivation 2.0 depended on and fostered Type X (Extrinsic) behavior – behavior fueled more by extrinsic desires than intrinsic ones and concerned less with the inherent satisfaction of an activity and more with the external rewards to which an activity leads.

Self-Determination theory argues that we have three innate psychological needs – competence, autonomy and relatedness. When those needs are satisfied, we’re motivated, productive and happy. When they’re thwarted, our motivation, productivity, and happiness plummet. Therefore we should focus our efforts on creating environments for our innate psychological needs to flourish.

Motivation 3.0, the upgrade that’s necessary for the smooth functioning of twenty-first century business, depends on and fosters Type I (Intrinsic) behavior. Type I behavior concerns itself less with the external rewards and activity brings and more with the inherent satisfaction of the activity itself.

- For Type X’s the main motivator is external rewards; any deeper satisfaction is welcome but secondary.
- For Type I’s, the main motivator is the freedom, challenge, and purpose of the undertaking itself; any other gains are welcome, but mainly as a bonus.
- Type I behavior is made, not born. These behavior patterns aren’t fixed traits. Any Type X can become a Type I.

- For Type X's, money is the motivation for doing the work. As long as a Type I's compensation is perceived to be fair, money is secondary.
- Type I's almost always outperform Type X's in the long run. Intrinsically motivated people usually achieve more than their reward-seeking counterparts.
- Type I behavior promotes greater physical and mental well-being. They have higher self-esteem, better interpersonal relationships, and greater general well-being than those who are extrinsically motivated.

For professional success and personal fulfillment, we need to move ourselves and our colleagues from Type X to Type I. Type I behavior leads to stronger performance, greater health, and higher overall well-being.

Part Two – The Three Elements

Chapter 4 – Autonomy

Our “default setting” is to be autonomous and self-directed. Unfortunately, circumstances – including outdated notions of “management” – often conspire to change that default setting and turn us from Type I to Type X.

ROWE- Results-Only Work Environment – people don't have schedules. They show up when they want. They don't have to be in the office at a certain time – or any time for that matter. They just have to get their work done. How they do it, when they do it and where they do it is up to them.

Autonomy is different from independence. It means acting with choice – which means we can be both autonomous and happily interdependent with others.

A sense of autonomy has a powerful effect on individual performance and attitude. A Cornell University study on workers autonomy at 320 small businesses discovered that businesses that offered autonomy grew at four times the rate of the control-oriented firms and had one-third the turnover.

To encourage Type I behavior, and the high performance it enables, the first requirement is autonomy. People need autonomy over:

- Task – What they do,
- Time – When they do it,
- Team – Who they do it with and
- Technique – How they do it.

Encouraging autonomy doesn't mean discouraging accountability. People must be accountable for their work. Motivation 3.0 presumes that people want to be accountable and having control over their task, time, team and technique is a pathway to that destination.

Companies that offer autonomy generally outperform their competitors. 3M's president and chairman in the 1930s and 1940s summarized it best: "Hire good people, and leave them alone."

Chapter 5 – Mastery

While Motivation 2.0 (control) required compliance, Motivation 3.0 (autonomy) demands engagement. Only engagement can produce mastery – becoming better at something that matters. Solving complex problems requires an inquiring mind and the willingness to experiment one's way to a fresh solution. The pursuit of mastery has become essential to making one's way in the economy.

Mastery begins with "flow" – optimal experiences when the challenges we face are exquisitely matched to our abilities. In flow,

- Goals become crystal clear and efforts to achieve them are very black and white.
- People live so deeply engaged, that their sense of time, place and even self melt away.

Flow is essential to mastery; but flow doesn't guarantee mastery. Flow happens in a moment; mastery unfolds over months, years, sometimes decades.

Mastery abides by three peculiar rules:

- Mastery is a mindset: It requires the capacity to see your abilities not as finite, but as infinitely improvable. Type I behavior has an incremental theory of intelligence, prizes learning goals over performance goals and welcomes effort as a way to improve at something that matters.
- Mastery is pain: It demands effort, grit and deliberate practice. As wonderful as flow is, the path to mastery – becoming ever better at something you care about – is a difficult process over a long period of time.
- Mastery is an asymptote: It's impossible to fully realize, which makes it simultaneously frustrating and alluring.

Chapter 6 – Purpose

The first two legs of the Type I tripod, autonomy and mastery, are essential. But for property balance we need a third leg – purpose, which provides a context for its two mates.

The most deeply motivated people hitch their desires to a cause greater and more enduring than themselves. Traditional businesses have long considered

purpose ornamental – a perfectly nice accessory, so long as it didn't get in the way of making a profit. As an emotional catalyst, wealth maximization lacks the power to fully mobilize human energies.

In Motivation 3.0, purpose maximization is taking its place alongside profit maximization as an inspiration and a guiding principle. The new “purpose motive” is expressing itself in three ways:

- In goals that use profits to reach purpose. Giving employees control over how the organization gives back to the community might do more to improve their overall satisfaction than one more “if-then” financial incentive.
- In words that emphasize more than self-interest; and
- In policies that allow people to pursue purpose on their own terms.

One cannot lead a life that is truly excellent without feeling that one belongs to something greater and more permanent than oneself.

People who are very high in extrinsic goals for wealth are more likely to attain that wealth, but they're still unhappy. Satisfaction depends on not merely having goals, but on having the right goals – goals that are greater than their own self-interest.

Motivation 3.0 doesn't reject profits, but it places equal emphasis on purpose maximization. This move to accompany profit maximization with purpose has the potential to rejuvenate our businesses and remake our world.