

Pushing Performance

A step-by-step guide to driving individual and organizational performance.



by Chris Ferdinandi

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Introduction

What does human resources do?

There are a lot of ways to answer that question, but the one I like best is short and simple: HR aligns employee behaviors with business strategies.



Your company prides itself on having the best customer service? You need to motivate your employees to be polite, helpful and polished whenever they interact with your customers. Compete on cost? You want to ensure that your employees manage the organization's time and money as if it was their own.

Pushing Performance is a how-to guide on influencing your employees to do the things that will make your organization successful. You'll learn what *really* motivates your employees (tip: it's not just money). You'll also learn how to design reward and recognition programs that push performance to the next level.

These are essential tools that no HR professional should be without. Keep reading!

What Is Motivation?

There's a very common misconception floating around about motivation. How often have you described someone as being highly motivated (or, as the case may be, unmotivated)? **The truth is, no one is innately motivated.** I won't argue that some people just seem to be lazier than others. Even the laziest person in the world, though, is motivated to do something (even if that something is "sit around doing nothing"). Motivation is context specific.

Motivated to Do What?

Next time a manager tells you that an employee isn't motivated, ask them, "Motivated to do what?" A world-class runner is very motivated to run for hours a day - but try getting him to stick to a competitive swimming routine for more than a few weeks.

I once had a friend who someone polite might describe as "not the working type." He would sit on the couch for hours, watching TV, playing video games and eating himself into a food coma. "Not very motivated," you're probably thinking. But if his favorite local band had a concert, you better believe he did everything in his power to make it to the show.

My friend wasn't very motivated to get a job, but he was motivated to see his favorite band.



What Motivates You?

At the heart of most organizations' reward and recognition plans is money. They offer competitive compensation packages to get the A-players into the organization, bonuses tied business objectives, and spot-cash awards for above-and-beyond performance. Those are all great! Let's be honest - we go to work for the paycheck.

But money isn't the only thing that motivates people, and if you're only source of motivation is the green stuff (or the red, blue and orange stuff for my foreign readers who have more colorful cash), you're missing an opportunity to enhance your team's performance.

The Five Sources of Motivation

Research by a bunch of people far smarter than me has found that there are five major sources of motivation that influence behavior at work:

- Intrinsic Motivation
- Instrumental Motivation
- Internal Validation
- External Validation
- Goal Identification

Nobody is 100 percent motivated by any one of these sources, but rather by a combination of them. So what are they?

Intrinsic Motivation

When you think about intrinsic motivation, it's important to separate "doing" from "succeeding." Someone who's truly intrinsically motivated likes the actual act of doing something, whether or not they're any good at it or reach any sort of goal.

For example, I occasionally like to go to mini-golfing. I'm absolutely terrible at it, and don't really care if I get better or not. I don't care if I win or lose, how many strokes it takes me to sink the ball (though I am a

little embarrassed when my fiancé consistently outplays me), or even if I played better than last time. On a beautiful summer night, engaging in the maddening ritual of trying to get a tiny ball into a little plastic cup is a pretty good time.

I'm intrinsically motivated to play mini-golf. If I played to get better, or enjoyed winning, that would be a different kind of motivation that I'll talk about in just a moment.

Instrumental Motivation

People who are instrumentally motivated do things primarily for the reward they receive if they're successful. This includes bonuses, extra time off, promotions and so on. This source of motivation is the one that organizations seem to focus on the most.

Internal & External Validation

Internal and external validation are quite similar. Individuals motivated in this way are driven by a desire to have their own self-perceptions validated. In other words, they like to reaffirm that what they think they're good at is what they're actually good at.

For people who are motivated by **external validation**, this comes in the form of praise for a job well done and public recognition. For those who are motivated by **internal validation**, simply succeeding at a challenging goal or task may be enough.

Going back to my mini-golf example, if I played a lot with intention of getting better, I would be motivated by validation. If I liked basking in the glory of crushing my friends in a game, I would be externally motivated. But if just knowing that I played better than last time drove me to play harder, I would be internally motivated.



It's not uncommon for people to be influenced by both internal and external validation.

Goal Identification

Goal identification is when a person so strongly identifies with the goal or mission of an organization that they'll do things just to see that goal realized. This motivation is often a very strong driver of behavior at non-profits, where other motivational forces may be low or non-existent.

Will Your Employees Care?

You've developed an incentive plan, and you've made sure it touches on as many of the Five Sources of Motivation as possible. Will your employees care?

The Power of Choice

Your employees have a choice - fulfill their job requirements, or don't. Is their customer being rude? It's pretty tempting to not provide them with world-class customer service. Is it essential that employees show up for every scheduled shift? Calling in sick on that gorgeous Friday in July is so hard to resist.

There's an easy formula you can use to gauge the how much your employees will value the incentive and recognition programs you develop:

$$\text{Motivation} = \text{Value} \times \text{Ability} \times \text{Belief}$$

Here's what each of those terms means.

Value: How much the employee values the reward or outcome.

Ability: The employee's faith that he can actually do what's required get the reward.

Belief: The employee's belief that if he does what you're asking, he'll actually get the reward.

How to Use It

In order for an incentive program to work, it's important that all three variables in that formula are high. The higher they are, the more likely an employee is to be motivated by your program. If any variable is non-existent, the program won't work, no matter how high the other variables are.

Value

The reward can be anything from money to recognition to simply keeping their job. If the employees don't value the reward, they won't be motivated by it.



Money is a great (and obvious) example. To an hourly employee, a \$200 spot award may be very enticing. Dangle that carrot in front of a senior manager, though, and she may not even bat an eyelash! If the reward is public recognition at the next quarterly meeting, that will really motivate someone who's driven by external validation. But if he's shy and doesn't like crowds, that may actually deter him.

Make sure your reward is appropriate for the group you're trying to motivate. It's probably wise to have multiple incentive plans for various groups and levels within the organization. It's also important to offer rewards that touch on as many of the **Five Sources of Motivation** as possible.

Ability

Your employee could value the reward, but not necessarily think that he can meet the performance expectations. If you're asking employees to go beyond the traditional scope of their job or do something new, they may throw their hands up and write-off your incentive or recognition program out of fear that they'll fail.

This is where your ability to coach becomes crucial. Assuming the employee actually *can* meet your performance expectations, anything you can do to strengthen an employee's belief in their own abilities will improve the success of your program, and ultimately the organization. Training, one-on-one mentoring and even quick-tips on how to do what you're asking of them are all great options.

Belief

This is the downfall of many incentive programs, for a few reasons. Sometimes, managers just aren't consistent in applying the program. One department manager may reward her employees every month, while another may only reward one or two employees a year. If you work for the first manager, the program may really motivate you. But if your boss rarely recognizes high performers, the program isn't going to matter to you.

I've seen one organization that, over a five year period, never paid out a full bonus. As is common practice at many companies, they linked their bonus pool to company performance. Since the company hadn't been doing too well, employees weren't getting paid even though they met all of their objectives. After a while, many just stopped trying, further hurting company performance. That's a vicious cycle that you don't want to find yourself in.

Ensure that the managers you support are implementing the program consistently and across the board.

Creating a Reward & Recognition Program

1. Define Success

Before you begin developing a reward and recognition program, it's important to define success:

- What are the behaviors you're trying to motivate?
- What impact should this have on the business?

The answers to those two questions are how you should define success for your program.

Often, HR professionals will develop a recognition program that succeeds in driving the behaviors that they're looking for and conclude that their program works. What they often don't consider, though, is what impact these behaviors have on organizational performance.

Connecting the dots between individual behavior and organizational performance is what earns you a seat at the table. This is how you become a strategic business partner and add real value to the organization. At the end of the day, your program should have an impact on both individual *and* organizational performance.

It's important to establish metrics beforehand. These should be measures of the outcomes that you're looking for (for example, lower absenteeism, higher productivity, and so on). You'll be tracking this data throughout the life of the program.

2. Do Your Homework

Before you develop your program, you need to do some research.

Benchmarking is really popular among HR professionals, and it can be a useful tool, but it's important to recognize its limitations (and there are a

lot of them). Benchmarks tell you what other organizations are doing, but they don't tell you how what they're doing is successful. In fact, many organizations see desired outcomes in spite of a practice and not because of it - their other practices (which you most likely didn't benchmark against) outweigh the detrimental effects of the practice you did benchmark against.

For example, in 1994, United Airlines decided that to compete with Southwest Airlines in the California market, it would begin emulating their practices. After careful benchmarking, United launched a spin-off of their regular service called Shuttle by United. Shuttle featured more frequent flights and shorter ground times. Gate staff and flight attendants dressed casually, and food was not served on the flights.

What United failed to capture, however, was the unique cultural aspects and management philosophies of Southwest that allowed their strategy to be successful in the first place. Those kinds of things don't show up on a benchmark. Shuttle crashed and burned (a tasteless pun, I know).

Try finding articles based on research that analyzes cause and effect relationships. Let's say you want to improve retention. You'll want to find an article that analyzes what an organization has done and whether or not it worked.

One piece of research I've come across looked at stock options. They worked really well at retaining employees... until they vested. The organization that researchers had studied saw a 50 percent spike in turnover in the month following stock-option vesting. If you creatively time distributions so that there are always a healthy handful of unvested options, you can help minimize the mass-exodus.

Benchmarking would have told you that the company used stock options to retain key employees. It wouldn't have told you about the great escape, or how you could prevent it.

3. Use Your Employees As Guinea Pigs

It's possible that you'll create a great reward and recognition program, get buy-in, market it, launch it, and then... nothing. The program flops.

There's a great way to avoid this: Use your employees as guinea pigs.

Rather than implementing a program company-wide, or across an entire division, test it on just one branch, department or team. If the program works, you now have internal data that you can use to gain buy-in if you decide to push the program out to the entire company or workgroup. And if it doesn't, you can scrap it, or make changes and see if the results improve. This is a great way to show off your strategic business acumen.

4. The Other Details

There are a whole handful of other details to launching a successful program: Get buy-in from key stockholders, market it like crazy, and so on. There are so many nuanced ways to plan and launch a program that I could never cover them all here. You could take a viral approach and let a program spread by word-of-mouth. Or you could plan a big launch and drum up a lot of excitement before the program goes live. In the end, you need to decide which approach works best for your team and your culture.

Closing Thoughts



The most important role of human resources is to align employee performance with organizational strategy. If you follow the tips in this book, you'll be a better strategic partner and add more value to the business.

I hope you've found this guide useful. If you want to learn more, visit *Renegade HR* at RenegadeHR.net. If you have questions or comments, please contact me at chris@renegadehr.net.