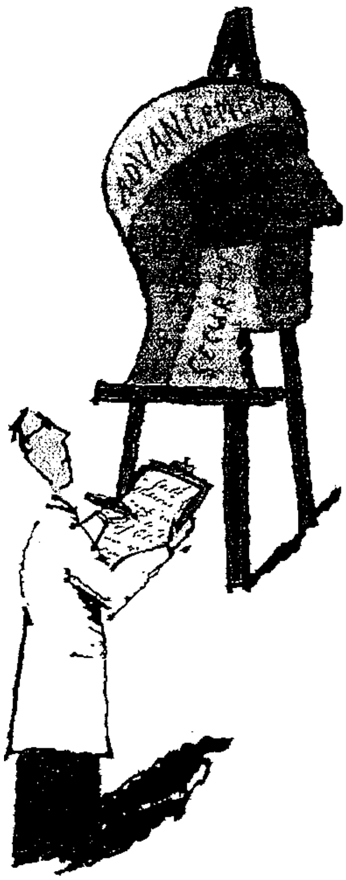
IDEA

Why We Misread Motives

We think other people are more mercenary than they really are.

by Gardiner Morse



We've come a long way since Frederick Taylor, the father of scientific management, asserted, "What workers want most from their employers, beyond anything else, is high wages?' To be sure, money still counts. But today's enlightened managers appreciate that employees seek meaning and satisfaction from their jobs-that it's not just about the paycheck. These managers understand what motivates employees and fine-tune incentives accordingly. Or do they? Research conducted by Stanford associate professor Chip Heath suggests that managers are not as good at judging employee motivation as they think they are. In fact, people from all walks of life seem to consistently misunderstand what drives employee motivation.

A common finding through Heath's work is what he calls extrinsic incentives bias. That term refers to our tendency to assume that others are more driven than we are by external rewards for work. We think those around us are more motivated by extrinsic rewards like pay or job security and less so by intrinsic motivators like a desire to learn new skills or contribute to an organization. Heath's research shows that this widely held assumption is false.

In one test, Heath asked all 25 managers of a Citibank call center to select 30 customer representatives whom they knew well and rate the value they perceived that the reps placed on intrinsic and extrinsic rewards. Despite their sense that they knew their reports, the managers generally overestimated how important their employees felt pay and other extrinsic incentives to be and underestimated the value they placed on intrinsic rewards. These findings have real implications for how managers motivate their staffs or why they fail outright.

The idea that we misjudge others' work motivation in this way has cropped up in the literature before. over the past 25 years, for example, the National Opinion Research Center at the University of Chicago has conducted the General Social Survey, or GSS, a study that, as part of its focus, examined work issues. The survey asked a random sample of U.S. adults to rank the importance of five aspects of their jobs: pay, security, free time, chances for advancement, and the opportunity to do "important work [that] gives a feeling of accomplishment:' On average, respondents ranked important work highest, and pay third. But when asked what motivates *other* people, three-quarters said they thought that large differences in pay were needed to get people to work hard. And two-thirds thought that people would not take on additional responsibility at work unless they were paid for it.

Similarly, a 1995 survey of 500 law school aspirant!i showed evidence of extrinsic incentives bias. Asked to describe their motives for pursuing a legal career, 64% said they chose it because they found law intellectually appealing: But only12% of them thought their peers shared this incentive; in fact, 62% speculated that their peers were driven primarily by money.

By stressing extrinsic motivators-while overlooking intrinsic ones -well-meaning managers may be pushing the wrong levers and developing incentives that don't reflect employee needs. People certainly appreciate bonuses, but money alone won't have the desired effect if managers overlook their employees' desires to contribute to their organizations in meaningful ways. Managers can't divine every person's real motivation. But this research suggests a useful rule of thumb: Assume what motivates you motivates others.

intrinsic rewards. These findings have real implications for how managers motivate their staffs and why , or fail outright.

Fo301B

Reprint

DANIEL BAXTER