Harvard Business Review

WORK-LIFE BALANCE
Manage Your Work, Manage Your Life

MANAGING YOURSELF
How to Build Effective Habits

MOTIVATING PEOPLE
Get Your Team to Do What It Says It's Going to Do

ONPOINT

SELECTED ARTICLES FROM HBR

HBR.ORG SUMMER 2018

HOW SUCCESSFUL PEOPLE REACH THEIR GOALS

Making Your Ambitions Real

WE ALL ADMIRE people who deftly conquer one challenge after another. How do they do it? Most often they are astute about how they set goals and pursue them.

Goals provide a sense of purpose that focuses your energy. When you need to galvanize other people to articulate their intentions and actually get things done, "if-then planning" is an effective technique. In "Get Your Team to Do What It Says It's Going to Do," Heidi Grant explains that leaders excel most in this effort when they define what needs doing—and specify in concrete terms how to get it done. "Humans are very good at encoding information in 'If x, then y' terms and using those connections (often unconsciously) to guide their behavior," writes Grant. "In this way, they establish powerful triggers for action."

You must also tailor goal-setting to the task at hand. In "When to Set Rigid Goals, and When to Be Flexible," Steve Martin and Helen Mankin point out that if you're seeking buy-in, allow employees to help shape the goal so that it is practical. If you're looking for follow-through, provide more structure to chart a clearer path to the successful outcome.

Reaching a difficult goal should not be a wrenching experience. In "What Separates Goals We Achieve from Goals We Don't," Kaitlin Woolley and Ayelet Fishbach share their research, which shows that people stick with the hard work of attaining a long-range goal if the process is made more enjoyable. To the extent you can do it, pick activities, foods, or surroundings that you not only enjoy but that also propel you toward your target. These small rewards will make it easier for you to keep your eye on the bigger prize.

Also be aware of the broader goals that motivate you as an individual, particularly those related to work-life balance. In "Manage Your Work, Manage Your Life," Boris Groysberg and Robin Abrahams surveyed 4,000 executives to figure out how they create the time and space for family and community. The key for these high-flyers is defining for themselves what professional and personal successes look like, and then using that work as a compass for making deliberate choices about what to do and what not to do.

Eric C. Sinoway, in "No, You Can't Have It All," provides a framework for how to evaluate your options and choose among them as you realize your vision for your present and future self. Trade-offs will be inevitable. Making decisions consciously, and perhaps sequencing your efforts, gives you a better chance of achieving more goals over the long term, instead of trying to do everything at once (and none of it well).

The thought you put into crafting and reaching goals will lead to more and greater accomplishments. You will become a person who knows how to get important work done—and who is satisfied with the personal and professional ambitions you achieve.

—The Editors

FEATURES

Culled by the editors of *Harvard Business Review* from the magazine's rich archives, these articles are written by some of the world's leading management scholars and practitioners. They are accompanied by "Idea in Brief" summaries, plus suggestions for further reading.

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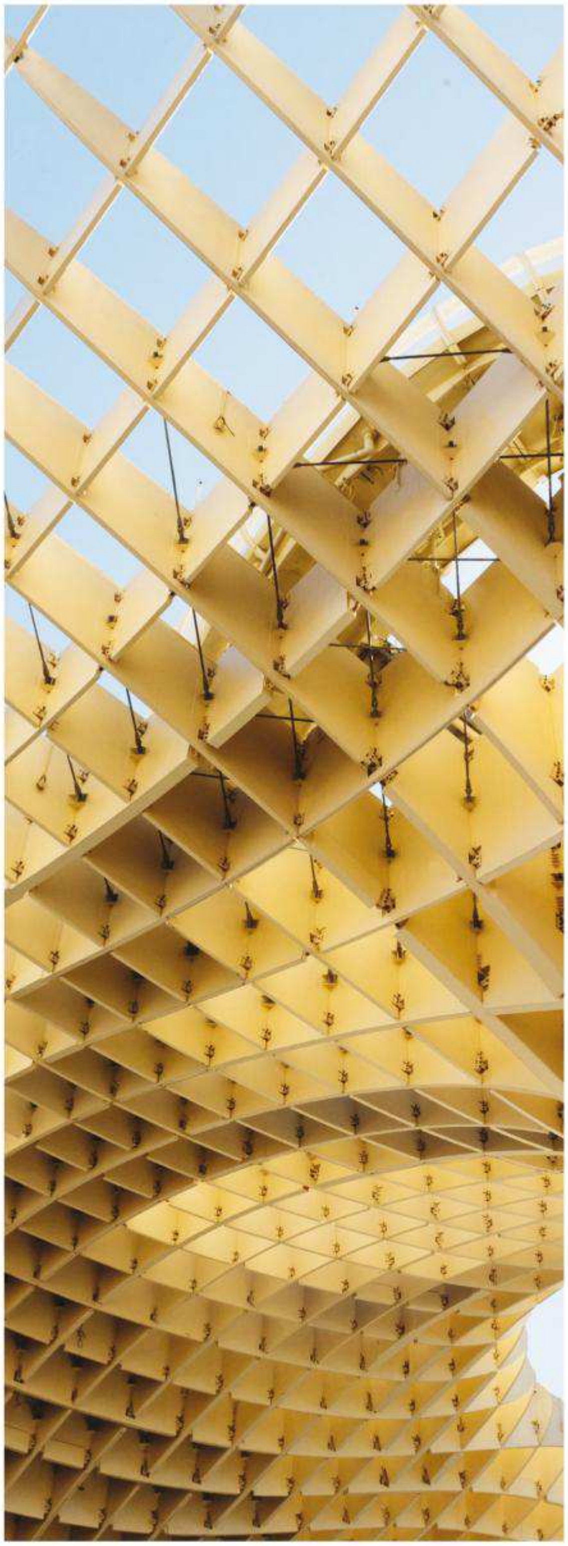

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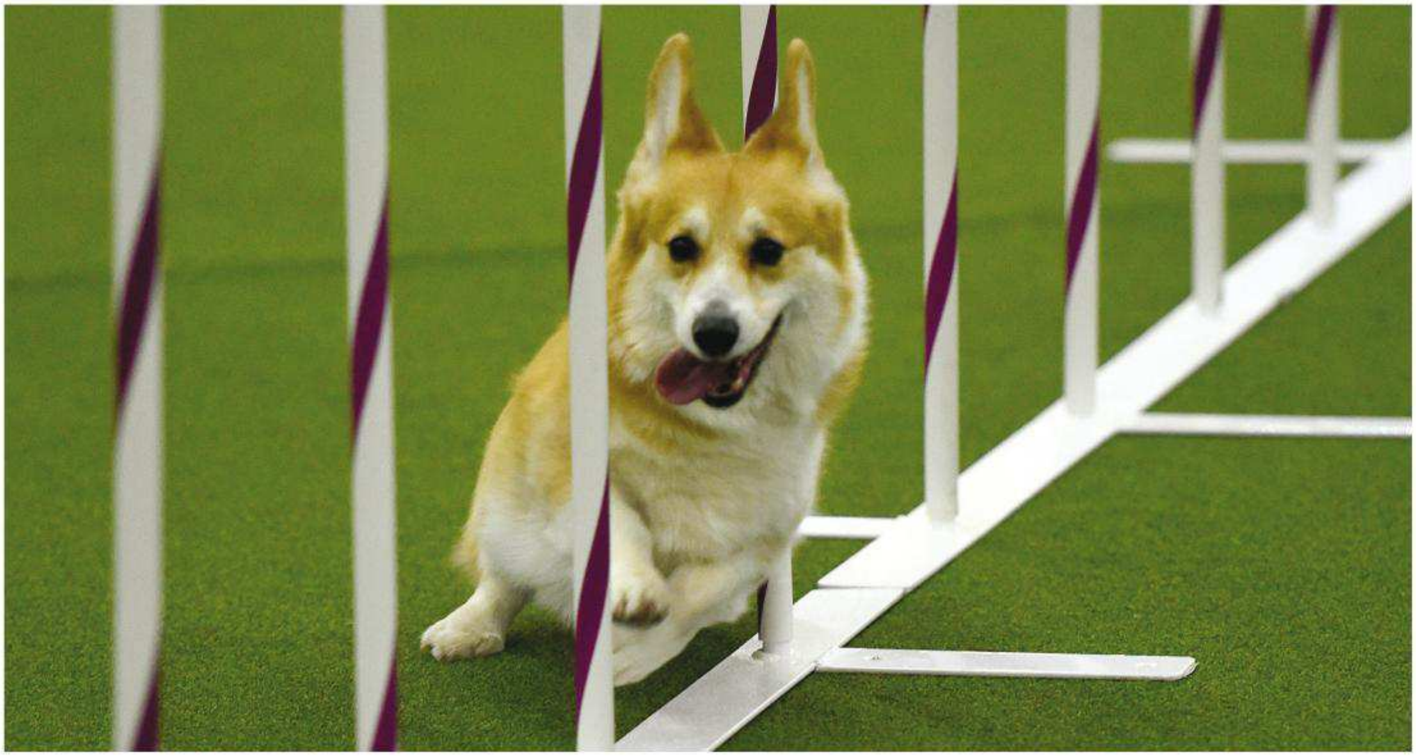

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What Separates Goals We Achieve from Goals We Don't

by Kaitlin Woolley and Ayelet Fishbach

THE IMPORTANCE of delaying gratification is universally recognized. Being able to forgo immediate benefits to achieve larger goals in the future is viewed as a key skill. For example, consider the classic "marshmallow test" experiment: Children's ability to delay eating one marshmallow so that they can get two marshmallows later is linked to a number of positive life outcomes, including academic success and healthy relationships.

But wouldn't immediate benefits also help us follow through on our long-term goals? To explore this question, we conducted five studies, surveying 449 people on their ability to persist in their long-term goals and whether they experienced immediate and delayed benefits when working toward these goals. Our article was published in *Personality and Social Psychology Bulletin*.

In one study, we asked people online about the goals they set at the beginning of the year. Most people set goals to achieve delayed, long-term benefits, such as career advancement, debt repayment, or improved health. We asked these individuals how enjoyable it was to pursue their goals, as well as how important their goals were and whether they were still working on them two months after setting them. We found that enjoyment, rather than how important they rated their goal to be, predicted people's goal persistence two months after setting the goal.

Yet people overestimated how much delayed benefits influenced their goal persistence. When we asked people what would help them stick with their goal in the upcoming months, they believed both immediate and delayed benefits—enjoyment and importance—mattered for their success. In actuality, delayed benefits had less influence on persistence; they mainly played a role in setting the goal in the first place.

When you are pursuing a goal, seeking out the positive experience may aid your persistence.

We found this pattern—immediate benefits are a stronger predictor of persistence than delayed benefits—across a range of goals in areas including fitness, nutrition, and education. In one study, we measured the number of minutes gym goers spent exercising on a cardio machine. We also asked them how much they cared that their exercise improved their health (delayed benefit) and was fun (immediate benefit). Gym goers who cared more about having a fun workout exercised longer than those who cared less about having fun. Caring more about the delayed health benefits of their exercise, such as staying fit, did not affect how many minutes they spent on a cardio machine.

A similar pattern appeared in another study we conducted that measured adherence to healthful habits over time. We approached Chicagoans who were visiting a museum and asked them to rate how much they enjoyed exercising, as well as how many hours per week they had exercised during the past three months. Those who rated exercising as more fun exercised more each week during that period. The extent to which these people thought exercising was important for their health goals did not predict the amount of time they spent exercising during that period. Although people reported that exercising was both important and fun, importance did not predict their exercise behavior; having fun did.

We also asked these same museum visitors about their healthy food consumption. They rated the tastiness and importance of eating green vegetables and reported their weekly vegetable consumption. People who really liked the taste of vegetables reported eating more servings in a one-week period. However, rating green vegetables as more important for their health did not lead to greater consumption.

This effect also appeared when we looked at University of Chicago students' persistence in studying. Most students study to receive delayed benefits, such as good grades. But studying can also provide enjoyment if the topic is interesting. We asked students working at the University of Chicago library how much they enjoyed their study materials and how important their study materials were for success in their classes. Whereas those who enjoyed their materials more spent more time studying, there was no relationship between the importance of the materials and time spent studying. Even though students study because it is important, this is not what predicted their study behavior.

Harness Immediate Benefits to Increase Your Persistence

How can we use these findings to help people follow through with important goals? Other research we conducted, through four experiments and a sample of 800 students and adults, offers three strategies:

1. Factor in enjoyment when selecting which activity to pursue to achieve your goals. For example, choosing a weight-lifting exercise on the basis of enjoyment led gym goers to complete more repetitions of their exercise. On average, they completed 52% more repetitions of the exercise they selected on the basis of enjoyment versus one they selected on the basis of effectiveness. So, if you want to work out more, sign up for a fitness class you like. If you want to succeed at work, find a work task or a work environment you enjoy. And if you want to eat better, build a diet plan around healthful foods you actually like to eat.

2. Give yourself more-immediate benefits as you pursue long-term goals. We found that high school students worked longer on a math assignment when they listened to music, ate snacks, and used colored pens while working. Immediate benefits make difficult tasks seem less like work and more like fun. Making activities more enjoyable, by playing music while exercising or working in your favorite coffee shop, may help you persist in your goals.

3. Reflect on the immediate benefits you get while working toward your goal. For example, we found that people ate almost 50% more of a healthful food when they focused on the

Management Tip

Set Goals That You Actually Want to Accomplish

Adapted from "Stop Setting Goals You Don't Actually Care About," by Elizabeth Grace Saunders, HBR.org, December 30, 2016

It's unlikely that you'll make progress on your professional development goals if they feel like a chore. Instead of focusing on things you "should" do, choose one or two areas of focus that align with what really matters to you. Ask yourself:

- If I could accomplish just one major professional development goal this year, what would it be?
- When I think about this goal, do I get excited about the prospect of working on it as well as achieving it?
- Am I motivated to achieve this goal because it's interesting and important, or is it something that I think would please other people?

Use the answers to come up with a short list of goals that truly match your personal ambitions.

positive taste, compared with another group that focused on the health benefits. When you are pursuing a goal, seeking out the positive experience—to the extent that it offers one—may aid your persistence.

Setting a goal is the first step toward achieving the delayed outcomes you want. Yet, forgoing immediate outcomes or daily pleasures can undermine these goals. By making the experience more rewarding in the moment, you'll have a better chance at success.

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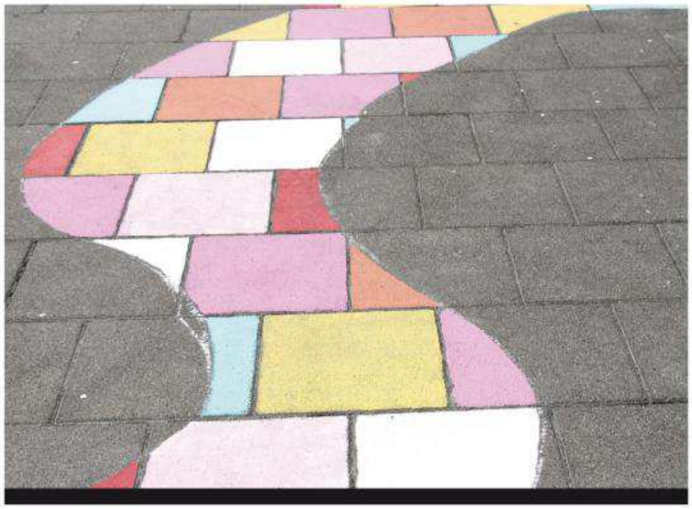
READER COMMENT

I wonder if there's a correlation between optimistic people, who can stick to their goals because they can see the more positive experience in pursuing them, versus pessimistic people, who see goals like losing weight as more of a chore. In other words, does our attitude drive our persistence in achieving goals?

Robert Tassy III, quality assurance engineer, Location Labs



MICHAEL SURIANO/UNSPLASH

Nine Things Successful People Do Differently

by Heidi Grant

WHY HAVE you been so successful in reaching some of your goals, but not others? If you aren't sure, you are far from alone in your confusion. Even brilliant, highly accomplished people are pretty lousy when it comes to understanding why they succeed or fail. The intuitive answer—that you are born predisposed to certain talents and lacking in others—is really just one small piece of the puzzle. In fact, decades of research on achievement suggest that successful people reach their goals not simply because of who they are but because of what they do.

1. Get specific. When you set a goal, be as specific as possible. "Lose 5 pounds" is a better goal than "lose some weight," because it gives you a clear idea of what success looks like. Knowing exactly what you want to achieve keeps you motivated until you get there. Also, think about the specific actions you need to take to reach your goal. Just promising you'll "eat less" or "sleep more" is too vague—be clear and precise. "I'll be in bed by 10 PM on weeknights" leaves no room for doubt about what you need to do and whether or not you've actually done it.

2. Seize the moment to act on your goals. Given how busy most of us are, and how many goals we are juggling at once, it's not surprising that we routinely miss opportunities to act on a goal because we simply fail to notice them. Did you really have no time to work out today? No chance at any point to return that phone call? Achieving your goal means grabbing hold of these opportunities before they slip through your fingers. To seize the moment, decide in advance when and where you will take each action you want to take. Again, be as specific as possible (for example, "If it's Monday, Wednesday, or Friday, I'll work out for 30 minutes before work"). Studies show that this kind of planning will help your brain detect and seize the opportunity when it arises, increasing your chances of success by roughly 300%.

3. Know exactly how far you have left to go. Achieving any goal requires honest and regular monitoring of your progress—if not by others, then by yourself. If you don't know how well you are doing, you can't adjust your behavior or your strategies accordingly. Check your progress frequently—weekly, or even daily, depending on the goal.

4. Be a realistic optimist. When you are setting a goal, by all means engage in lots of positive thinking about how likely you are to achieve it. Believing in your ability to succeed is enormously helpful for creating and sustaining your motivation.

But whatever you do, don't underestimate how difficult it will be to reach your goal. Most goals worth achieving require time, planning, effort, and persistence. Studies show that thinking things will come to you easily and effortlessly leaves you ill-prepared for the journey ahead and significantly increases the odds of failure.

5. Focus on getting better rather than being good. Believing you have the ability to reach your goals is important, but so is believing you can get the ability. Many of us think that our intelligence, personality, and physical aptitudes are fixed—that no matter what we do, we won't improve. As a result, we focus on goals that are all about proving ourselves rather than developing and acquiring new skills. Fortunately, decades of research suggest that the belief in fixed ability is completely wrong—abilities of all kinds are profoundly malleable. Embracing the fact that you can change will allow you to make better choices and reach your fullest potential. People whose goals are about getting better, rather than being good, take difficulty in stride and appreciate the journey as much as the destination.

6. Have grit. Grit is a willingness to commit to long-term goals and to persist in the face of difficulty. Studies show that gritty people obtain more education in their lifetime and earn higher college GPAs. Grit predicts which cadets will stick out their first grueling year at West Point. In fact, grit even predicts which round contestants will make it to at the Scripps National Spelling Bee. The good news is, if you aren't particularly gritty now, you can do something about it. People who lack grit more often than not believe that they just don't have the innate abilities successful people have. If that describes your own thinking, … well, there's no way to put this nicely: You are wrong. As I mentioned earlier, effort, planning, persistence, and good strategies are what it really takes to succeed. Embracing this knowledge will not only help you see yourself and your goals more accurately but also do wonders for your grit.

7. Build your willpower muscle. Your self-control "muscle" is just like the other muscles in your body—when it doesn't get much exercise, it becomes weaker over time. But when you give it regular workouts by putting it to good use, it will grow stronger and stronger, and better able to help you successfully reach your goals.

Successful people reach their goals not simply because of who they are but because of what they do.

To build willpower, take on a challenge that requires you to do something you'd honestly rather not do. Give up high-fat snacks, do 100 sit-ups a day, stand up straight when you catch yourself slouching. When you find yourself wanting to give in, give up, or just not bother—don't. Start with one activity and make a plan for how you will deal with troubles when they occur (for example, "If I have a craving for a snack, I will eat one piece of fresh or three pieces of dried fruit"). It will be hard in the beginning, but it will get easier, and that's the whole point. As your strength grows, you can take on more challenges and step up your self-control workout.

8. Don't tempt fate. No matter how strong your willpower muscle becomes, always respect the fact that it is limited—if you overtax it, you will temporarily run out of steam. If you can help it, don't take on two challenging tasks at once, such as quitting smoking and dieting at the same time. And don't put yourself in harm's way—many people are overly confident in their ability to resist temptation and as a result put themselves in situations where temptations abound. Successful people know not to make reaching a goal harder than it already is.

9. Focus on what you *will* do, not what you *won't* do. Do you want to successfully lose weight, quit smoking, or put a lid on your bad temper? Then plan how you will replace bad habits with good ones rather than focusing only on the bad habits themselves. Research on thought suppression (for example, "Don't think about white bears!") has shown that trying to avoid a thought makes it even more active in your mind. The same holds true when it comes to behavior—by trying not to engage in a bad habit, our habits get strengthened rather than broken.

If you want to change your ways, ask yourself, What will I do instead? For example, if you are trying to gain control of your temper and stop flying off the handle, you might make a plan like "If I am starting to feel angry, then I will take three deep breaths to calm down." By using deep breathing as a replacement for giving in to your anger, your bad habit will get worn away over time until it disappears completely.

It is my hope that, after reading about the nine things successful people do differently, you have gained some insight into the things you have been doing right all along. Even more important, I hope you can identify the mistakes that have derailed you and use that knowledge to your advantage from now on. Remember, you don't need to become a different person to become a more successful one. It's never what you are, but what you do.

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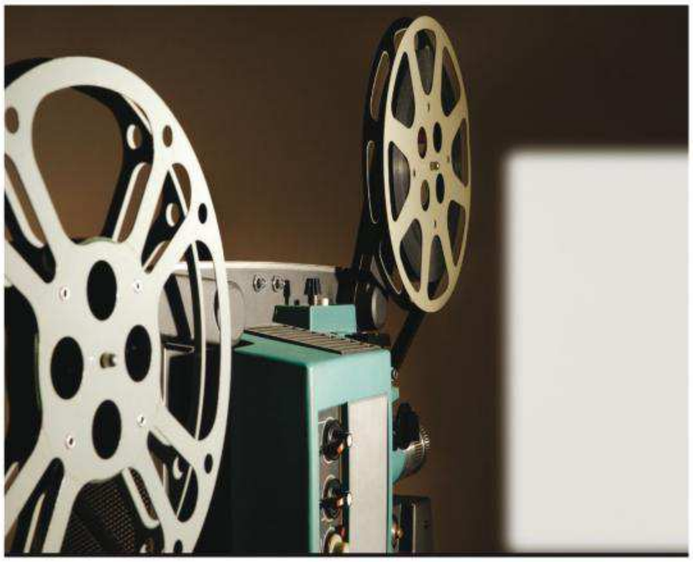

To Reach Your Goals, Make a Mental Movie

by Srini Pillay

WARREN BENNIS, one of the most respected authorities on leadership in the world, said: "Leadership is the capacity to translate vision into reality." On the surface, this sounds perfunctory. But when we examine this more deeply, several important implications arise. If leadership is the ability to translate vision into reality, what is the method to do this? One way, according to the latest research, is to use our brains to optimize our chances of success.

Incontrovertible evidence now shows that imagining a movement will stimulate the movement areas in the brain. This technique has been used to help people who've had a stroke begin moving and to help elite athletes optimize their precompetition training, such as Mikaela Shiffrin's detailed visualization that led to an Olympic slalom gold medal. This evidence suggests that to reach your goals, you should write them down, determine different possible ways of achieving them, and then close your eyes and imagine yourself following those paths. Imagination warms up and jump-starts your brain. This technique can be especially helpful if you are procrastinating or stuck.

But, as easy as it sounds, simply closing your eyes and imagining yourself accomplishing a goal or leading a team to do so may feel challenging for a number of reasons. Many of my clients, for example, have asked: "What if I don't feel confident enough to imagine? What if I have missed my targets for several quarters, and trying to imagine getting to my goal is anxiety provoking?"

First, multiple forms of imagery have been found to be helpful in reducing anxiety, so imagining can actually help you feel less anxious.

Second, to improve your confidence, one especially helpful type of imagery you can use is called motivational-general mastery (M-GM), which involves keeping an eye on your goal while imagining yourself approaching it from behind. M-GM stands in contrast to the static imagery of imagining having your goal in hand, as in holding up a trophy. Actually coming from behind to reach your goal appears to be a more powerful way to increase your confidence. To do this, clearly define your benchmarks, and then denote where you are and when and how you anticipate reaching and even exceeding them. Literally sketch this out on paper first so that you can use this script to create your mental image.

Imagining activates brain regions that can unconsciously map your path to success.

The next question people often ask is: "How can I imagine exceeding my benchmarks when I have no idea of how I will actually do it?" Remember that when you say you have "no idea," you mean you have no conscious idea. However, a recent review of 75 papers revealed that imagery can help in several ways: In addition to helping you focus your attention by stimulating attentional networks in the brain, imagery can actually help your brain map your path to your goal outside of conscious awareness. Imagining activates brain regions that can unconsciously map your path to success. Not knowing "how" doesn't actually matter, since the brain will figure this out once you let it know where you want to go.

How can this be? When you program your car's navigator with your destination, your car figures out how to take you to your destination. Similarly, your brain can map out your course to your goal once you clearly communicate to yourself what this goal is. In addition, imagining your journey also helps keep your brain on track, as it will constantly refer to this image and update your journey with greater ease than if you did not provide this information to it.

Many people and teams I have coached use this method to guide their paths to success. Rather than simply having a business plan, they make a mental movie of a business plan. When you have a vision for your life and business, it helps to make that vision quite literal.

To start, define your goal. Make it real and graphic. Google and print out representations of this image, or spend actual time visualizing the image in high definition. Set aside time to do this every morning, and think of it as feeding your brain graphic information so that it can help you chart your path to your goals. By repeatedly practicing this method, you can really conserve brain resources

CSCREDON/GETTY IMAGES

because practice generates automatic patterns in the brain, decreasing the need to recruit or invite brain regions involved in deliberate effort.

Brain science teaches us that a picture is worth a thousand words because it serves as an attentional guide, motivator, and map to the brain to help you navigate your way to come from behind to reach or exceed your goals. Now that you know how to translate vision into reality, what's stopping you?

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READER COMMENTS

I'm delighted to see neuroscience has evidence to understand something that many like myself have intuitively known and used over the years. But I've experienced a downside to this method as well: the sometimes crushing disappointment when you fail to reach a goal that you have so vividly envisioned.

Susan Cozzolino

This approach leverages the power of imagination and autosuggestion, both of which have established value. We experience this in several aspects of life, albeit at a more subconscious level. Bringing it to consciousness creates a very goal-oriented approach and gives the necessary adrenaline pump to setting a belief system in place.

Anonymous

NIGEL PAVITT/GETTY IMAGES

You Can't Achieve Your Goals Without the Right Support

by Amy Jen Su

MY SON'S karate teacher recently asked his young students, "What's the one thing you really want to improve on in the new year?" Hands shot up immediately, with responses like "Watch less TV!" and "Improve my karate form!" and "Work on my time management!" He asked each student to write down the goal and bring it to the next class. With a wide grin, he told the kids to expect that he would periodically stop class throughout the year to engage everyone around how they were doing.

As I watched the class, I reflected on how these kids were quite likely to meet their goals because they had the additional support from their teacher and one another. Whether it's kids in a karate class or adults in a Weight Watchers meeting, most of us intuitively know the value of having a support group for changing our habits, learning new things, or achieving a New Year's goal.

It is easy, however, to take others' support for granted. We may vent to friends or colleagues about work when we've had a bad week or network when engaged in a formal job search. But in the day-to-day busyness of work, how do we more intentionally bring others "under the tent" in our quest to grow as people and leaders? And how can we take the bull by the horns rather than wait for our managers or organizations to do it for us?

Below is the story of two leaders who built stronger networks of support and discovered the benefits for themselves and others along the way.

The first leader is Todd, the president of a company, who was increasingly feeling the age-old adage that it's lonely at the top. A self-aware and seasoned leader, he recognized that he needed to rethink his support system, as he was really feeling the pressures of continued bottom-line performance in the context of slowing revenue growth.

The second leader is Jennifer, a leader in operations with a team that had recently doubled in size after an acquisition. Someone was always stopping by her office to ask a question or seek advice. Feeling exhausted, she found herself wondering whom she could turn to for advice and how she was going to address recent feedback from her manager to build a stronger executive voice and more confidence with her peers.

Although in different situations, Todd and Jennifer both found value in consciously cultivating and realigning their networks of support. They each had to get into the right mindset, define what they needed, and align the right people. Here's how:

1. Get into the right mindset. As a starting point, both leaders had to address their resistance to moving forward. Todd was concerned about others' perceptions. He valued the expertise, drive, and competence he brought to the role. Would he appear weak and vulnerable if he were more proactive in seeking the support of others? Would he create doubt or a negative perception regarding his capability to lead the organization?

Jennifer relished her identity as a caring leader and strong developer of talent. She wasn't sure she could really let go of the reins and allow herself to receive others' support. She was great at giving to others but did not do as well with receiving support.

Each leader reframed their vision for themselves. Todd decided he wanted to be not only an expert, competent leader but also a strategic, agile learner. Jennifer decided she wanted to be not just a caring leader but also a thriving, healthy, and more decisive leader.

2. Define what you need. As Todd and Jennifer became more receptive to the idea of a "network of support," they considered what kind of specific support they needed. What were the roles that others could play, and which ones were especially critical for each leader's goals and objectives for the year?

While not exhaustive, the list below presents the types of support roles a leader might consider having:

The Expert: Even when we are experts ourselves, there is always a learning curve. We need to continually seek out those who have the pattern recognition, experience, or best practices around the issues we're facing. We need the courage and confidence to demonstrate a "beginner's mind"—a term from Zen Buddhism referring to having an openness to learning, even at an advanced level.

The Sausage Maker: Leaders must be able to clearly articulate their conviction and vision to others. Some of us reach this clarity of conviction after hearing ourselves talk out loud or by hashing through data with others. Honor your cognitive process by having someone you can "whiteboard" and brainstorm with on the nitty-gritty details. This person is notably different from the audiences you ultimately must clearly and succinctly communicate with.

The Role Player: With so many different stakeholders, we all need someone we can role-play with before a high-stakes interaction. It's better to understand what rolls off the tip of the tongue naturally or how something comes across in a pregame warm-up than to find out when the stakes are high on the field. The role player is an invaluable resource for finding the right framing or key messages of any communication.

Even experts need to seek out those who have the pattern recognition, experience, or best practices around the issues they're facing.

The Mirror: We all need that one person who can give it to us straight. These folks hold us accountable, offer valuable feedback, and help us see our blind spots before they derail us.

The Cheerleader: When we are feeling less steady, acknowledgement that we are doing well and moving the needle can go a long way toward keeping our motivation alive. Know whom you can count on to really notice, see, hear, and affirm your value.

The Safe Harbor: Whom can you share your ideas, thoughts, and observations with without judgment or retribution? As your ideas percolate, who will listen and consider the possibilities without raining on your parade or trying to one-up you?

3. Determine who fits the bill. We don't need to find multiple people to match each support role. Sometimes just one or two people fit the bill in many ways and are right under your nose. In other cases, we may realize that we've aligned our support network incorrectly and that it's time to reshuffle the decks.

In doing this exercise, Todd began to see two of his direct reports in a new light: Steve was more low-maintenance and had less of an ego than the others on the executive team. He was a safe harbor by nature and, given his integrity and candor, someone who could be a great mirror. Sheila, his CFO, was going to be a critical expert for the group in a year when costs and budgets were coming to the forefront. He wanted to more purposely draw on that expertise now. Finally, he was motivated to seek out other company presidents who were leading mature companies.

Jennifer realized she needed more support in the way of sausage maker, role player, and cheerleader. These people would provide critical support as she worked on building a stronger executive voice and presence. Jennifer had sought this support previously only to realize that the people she'd gone to for guidance fundamentally lacked the patience or empathy to provide it.

As both leaders became more aware of how others could support them, they also became aware of how they supported others. Understanding the value of safe-harbor support, Todd now wanted to add more of this role to his own leadership style and to encourage his managers to do the same. He connected a dot to recent employee engagement data, which showed that employees didn't always feel safe sharing their ideas with managers, and he wondered if this was the missing type of support.

Jennifer knew that with a growing team she would have to flex more muscles in terms of being an expert and a mirror, setting direction and holding others more accountable rather than just relying on her go-to role of being the cheerleader.

Ultimately, as we become more conscious and appreciative of the support of others, we also become more aware of how well we offer our support. In doing so, we help ourselves and others tap more deeply into the beauty of positive, healthy, and authentic human connections.

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JULIETTE LASSERRE/STRINGER/GETTY IMAGES

Increase the Odds of Achieving Your Goals by Setting Them with Your Spouse

by Jackie Coleman and John Coleman

DO A QUICK Google search of "work-life balance" and more than 104 million results will flood your screen. But the current conversation often treats "work" and "life" as separate and, all too often, in tension. We make annual resolutions, detailed daily plans, and to-do lists, but we do so as individuals—generally not sharing those plans or planning jointly with those closest to us. And we often think of our personal and professional goals as occupying distinct and separate spheres. But what if these two spheres could merge and actually improve the odds that we'll achieve our goals?

Research shows that it's easier to achieve our goals when we're not trying to go it alone. One recent research study found a positive correlation between participation in digital communities and reaching fitness goals. Similarly, a study of rowers found that training together heightened their threshold for pain.

For many of us, our closest and most trusted companion is a spouse. Couples in committed, long-term relationships often see each other every day, but rarely plan or set resolutions together. By not doing so, couples may actually be making it harder to achieve their goals. This January, we fully integrated our personal planning for the year for the first time. We've always informally mentioned our goals to each other, but this time around, we talked with intentionality about why we were chasing those goals and how we planned to get there. By including each other in the process, we invited the other not only to be aware of what we plan to accomplish this year but also to hold us accountable as we strive to reach these goals. And our experience, combined with research we've evaluated and other couples we've consulted with, have led us to a few tips for effective planning as a couple.

First, start with an annual board meeting. Several years ago, we attended a seminar where speakers Rick and Jill Woolworth introduced the idea of an "annual meeting" for families—taking time at the end of each year to evaluate that year and plan for the next. Establishing this as a family norm assures that goal setting happens on a set schedule rather than haphazardly or in isolation. For us, this happened over the holidays between Christmas and the new year, and included a discussion of the past year, how we performed against our goals, and how we felt about life as a couple and as individuals. We wrote out our specific goals for the year and the habits we hoped to develop. Then we discussed them and how each of us could help the other achieve those goals. These annual meetings provide accountability, but more important, lay a vision for the year ahead. Then, as many experts advise, break these annual goals into habits, monthly and weekly goals, and daily to-dos.

By talking about your goals with your spouse and writing them down, you've already improved your odds of success.

In *Yes! 50 Scientifically Proven Ways to Be Persuasive* (Free Press, 2018), authors Robert Cialdini, Noah Goldstein, and Steve Martin explain how making an active commitment directly affects action. In one of the studies they reference, researchers found that of a group of individuals who passively agreed to participate in a volunteer project, only 17% showed up to participate. Contrast that with those who agreed to volunteer through active means (writing it down, signing a contract, etc.)—49% appeared as promised. Writing down specific goals and sharing them with your partner is like signing a contract. This not only increases social accountability but also allows your partner to think about specific ways in which he or she can support you in achieving your goals.

It's easier to achieve our goals when we're not trying to go it alone.

The second essential component of annual planning as a couple is setting joint goals. What do you hope to achieve as a couple or (if relevant) for your children? What habits do you hope to develop together? According to one source, for example, only 30% of people surveyed felt they had achieved work-life balance despite it being second only to compensation among factors that lead to job satisfaction. The person with whom you share your life is most likely the best person to help you plan for balancing it. And joint goals can assure that your personal and professional pursuits are more fully aligned.

Once you've made your plans, help hold each other accountable. When you invite someone to join you in setting and striving for goals, you are not only asking that person to cheer you on when you reach certain landmarks—you are also empowering him or her to point out when you are unfocused or off track. This requires recognizing that constructive feedback can be hard to hear from a partner as well as letting go of some ego and pride.

Finally, in addition to conducting an annual meeting, check in on each other's progress at the end of each month. Make it fun. Schedule a babysitter, and go out on a date night. Keep the focus of the conversation on the progress and setbacks of the month—and on how you might continue that progress when things are going well and intervene when a goal or habit veers off course. Some couples might be tempted to do this weekly, but monthly feedback is about the right balance.

Planning for both professional and personal goals with your partner can help you better care for each other, ensure that you're both focused on the issues that matter most, and enlist your biggest supporter in helping you achieve your goals and get things done.

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BRADLEY OLSON/EYEEM/GETTY IMAGES

Align Your Time Management with Your Goals

by ***Harvard Business Review* Staff**

At the end of a busy day, sometimes it's hard to figure out where the time went. The following excerpt from the book *Getting Work Done* provides a simple process for you to prioritize your work and understand how you're actually using your time.

WHAT GOALS are you aiming for in your work? Does the way that you are spending your time actually correlate to those goals? Without answers to these questions, you won't know how the many tasks on your list should be prioritized, organized, and ultimately accomplished.

List Your Goals

Ideally, you and your manager should meet at the start of each year to formulate a set of performance goals. From your discussion, you should understand how those goals tie into the company's aims and mission. You probably also have your own personal career goals. Together, these may look something like, "Improve people-management skills. Manage six new products. Handle contracts for all of the department's new products. Develop vendor-management skills."

Revisiting them now, write these goals down—on paper or in a note-taking app if you prefer. You will use these goals in two ways: first, to prioritize your daily work; and second, to gauge your progress (in other words, to benchmark what you're accomplishing and whether the changes you make as a result of this book are effective for you). By referring back to this list regularly, you'll be able to identify which tasks are most important for you to tackle so that you can plan accordingly.

Track Your Time

Once you've identified your goals, it's time to examine how you're currently spending your time. Are you working on the things you should be doing—the things that will allow you to reach those goals—or are you getting bogged down by unrelated tasks or unexpected crises?

To truly understand where you are spending your time and to identify whether you should adjust your workload, track your work for two weeks by completing the following exercise. You may discover that your results don't align with your goals. The point is to uncover where that misalignment occurs so you can correct it.

First, write down your activities. Consider this a brain dump, and leave no stone unturned. List all the tasks you perform, meetings you attend, and even the time you spend socializing or procrastinating at work. It can help to look back over your calendar for the past week or two in order to get a sense of your range of activities. Once you have a full list, break it down into broad categories so you can track the amount of time you spend doing tasks in each category. Some categories to consider include:

Core responsibilities: day-to-day tasks that make up the crux of your job.

Personal growth: activities and projects that you find meaningful and valuable but that may not be part of your everyday responsibilities.

Managing people: your work with others, including direct reports, colleagues, and even your superiors.

Crises and fires: interruptions and urgent matters that arise occasionally and unexpectedly.

Free time: lunch breaks and time spent writing personal e-mails, browsing the web, or checking social media.

Administrative tasks: necessary tasks that you perform each day, such as approving time sheets or invoices, or putting together expense reports.

Seeing your work broken into categories will help you visualize how you're really spending

SAMPLE CHART FOR TRACKING TIME SPENT ON TASKS PER WEEK

WEEK ENDING 4/14	Core responsibilities	Personal growth	Managing people	Crises and fires	Free time	Administrative tasks	TOTAL TIME/DAY
Monday	2 hrs	1 hr	3 hrs	0 hrs	0 hrs	2 hrs	8 hrs
Tuesday	3	1	4	0	0	2	10
Wednesday	7	0	0	1	0	2	10
Thursday	0	3	3	0	0	2	8
Friday	1	2	0	1	3	2	9
TOTAL TIME/ ACTIVITY	13 hrs	7 hrs	10 hrs	2 hrs	3 hrs	10 hrs	45 hrs
PERCENTAGE OF TIME	29%	16%	22%	4%	7%	22%	100%

SOURCE *20-MINUTE MANAGER: GETTING WORK DONE* (HARVARD BUSINESS REVIEW PRESS, 2014) HBR.ORG

Management Tip

Small Steps Can Put Work Goals Within Reach

Adapted from "Make Your Work Resolutions Stick," by Rebecca Knight, HBR.org, December 29, 2014

Setting work goals is easy. Accomplishing them is another matter. If you want your resolutions to stick, you need to:

- Commit publicly: Write down your goals, and share them with your manager, peers, direct reports, friends, and family.
- Create a plan of action: Think step-by-step tactics. If your goal is, for example, to develop a more trusting relationship with your direct reports, take them to lunch individually and start engaging with them on a more personal level.
- Recruit support: Colleagues, mentors, your significant other, or a professional coach can be both your cheering squad and sounding board.
- Set milestones: As time goes by, it becomes more difficult to stay motivated. You need regular signals that reinforce what you're working toward, such as a reminder on your phone or a recurring "meeting" on your calendar for thinking about what your goals mean to you and your career.

your time, and you may already be getting a sense of whether what you see lines up with the goals you identified.

Then, track your time. Once you have your categories established, begin tracking how much time you spend doing tasks in each. You can estimate by the hour, or if you want to dig deeper into your habits, you can get more granular. To record your results, use either an online time-tracking tool or a standard calendar; to analyze those results, use a spreadsheet like the one depicted on the previous page. List each category in its own column, and write the days of the week in each row. Calculate the time you spend on each task for each category for the next two weeks and put the totals in the corresponding categories.

Seeing your work broken into categories will help you visualize how you're really spending your time.

At this point, you may be thinking, I'm busy; I don't have time to log everything I do. It's true: This system does require an up-front investment of time and effort.

But logging your tasks and how long it takes to complete them will let you clearly see where you're spending too much time and where you must begin to reallocate time to achieve your goals. If you want to improve your people management skills, for example, you may realize that devoting 10 hours a week is not enough; perhaps you need to offload some administrative tasks so you have the additional time you need for that goal. By making small, deliberate shifts in how you spend your day, you'll ensure that you're investing the right amount of time on the tasks that matter most, making you more efficient at achieving your goals.

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OPPENHEIM BERNHARD/GETTY IMAGES

To Form Successful Habits, Know What Motivates You

by Gretchen Rubin

HAVE YOU EVER been driven crazy by a coworker's persistent questioning of what the team is doing and why, and whether things could be done more efficiently—or by a colleague's refusal to address those crucial questions?

Have you ever worked with someone who met deadlines and followed through for the team but, for some reason, couldn't move forward on the goals they set for themselves? Or perhaps does that description fit you?

In researching and writing *Better Than Before: Mastering the Habits of Our Everyday Lives,* I realized that all of us differ dramatically in our attitude toward habits and our aptitude for forming them. Just about everyone falls into one of four distinct groups: Upholders, Questioners, Obligers, and Rebels.

The key question to figuring out what group you're in is: How do you respond to an expectation? We all face two kinds of expectations:

Outer expectations: meet a work deadline; observe traffic regulations

Inner expectations: stop snacking; start running

Upholders respond readily to both outer expectations and inner expectations. They're self-directed and have little trouble meeting commitments, keeping resolutions, or making deadlines (in fact, they often finish early). They really want to understand and meet expectations—including their expectations of *themselves.* This creates a strong instinct for self-preservation, which serves as a counterweight to others' expectations.

However, upholders may struggle in situations where expectations aren't clear. They may feel compelled to meet expectations, even ones that seem pointless. They may feel uneasy when they know they're breaking the rules, even unnecessary rules, unless they work out a powerful justification to do so. I know this tendency well; I'm an upholder myself.

Questioners question all expectations and will meet an expectation only if they believe it's justified—they're motivated by reason, logic, and fairness. They decide for themselves whether a course of action is a good idea, and they resist doing anything that seems arbitrary or lacks sound purpose. Essentially, they turn all expectations into inner expectations.

Because questioners like to make well-considered decisions and come to their own conclusions, they're very intellectually engaged and often willing to do exhaustive research. If they decide there's sufficient basis for an expectation, they'll follow it; if not, they won't.

However, the questioner's appetite for information and justification can become tiresome. Questioners themselves sometimes wish they could accept expectations without probing them so relentlessly. A questioner told me ruefully, "I suffer from analysis paralysis. I always want to have one more piece of information."

Obligers respond readily to outer expectations but struggle to meet inner expectations. Obligers excel at meeting external demands and deadlines, so they make terrific colleagues, family members, and friends.

They don't let others down, but they may let themselves down. Because obligers resist inner expectations, it's difficult for them to self-motivate—to work on a PhD thesis, say, or attend networking events. A journalist who has no trouble meeting his weekly deadlines but can't ever seem to find time to work on his own book is a classic obliger.

Obligers depend on external accountability, with consequences such as deadlines, late fees, or the fear of disappointing someone, in order to meet an expectation. This is worth repeating: If an obliger is having trouble meeting an expectation, the solution is *external accountability*.

The weight of outer expectations can make obligers susceptible to burnout, because they have trouble telling people no. An obliger explained, "I drop everything to proofread my colleagues' reports, but I'm terrible about making time to work on my own priorities."

Our tendencies are hardwired, but we can learn to counterbalance their negative aspects.

Obligers, in fact, may reach a point of "obliger rebellion," in which they abruptly refuse to meet an expectation. At a certain point, the weight of expectation becomes too great, and they suddenly "snap."

Rebels resist all expectations, outer and inner alike. They act from a sense of choice, of freedom. They resist control, even self-control, and enjoy flouting rules and expectations.

Rebels work toward their own goals in their own way, and although they refuse to do what they're "supposed" to do, they can accomplish their own aims.

Rebels place a high value on authenticity and self-determination, and bring an unshackled spirit to what they do. At times, the rebel's resistance to authority is enormously valuable to society, but rebels often frustrate others because they can't be asked or told to do anything. They don't care if "people are counting on you," "you agreed to do it," "it's against the rules," "this is the deadline," or "it's rude."

In fact, asking or telling rebels to do something often makes them do just the *opposite*. People around rebels must guard against accidentally igniting their spirit of opposition. At the same time, rebels are often strongly motivated by the idea "I'll show you." For instance, tell a rebel, "I don't think you can get that draft ready for review by Friday," and he may turn it in on Thursday just to prove you wrong.

Rebels sometimes frustrate even themselves, because they can't tell themselves what to do.

Many people recognize themselves just from these descriptions, but if you'd like to learn your tendency, take The Four Tendencies quiz at gretchenrubin.com.

These tendencies are hardwired, but with greater experience and wisdom, we can learn to counterbalance our tendency's negative aspects. As an upholder, for instance, I've learned to resist my automatic inclination to meet an expectation and to ask, "Why am I agreeing to this, anyway?"

When trying to persuade other people to act, you'll have more success if you consider their tendency, whether you're a boss trying to help an employee meet her deadlines, a health care provider trying to prod a patient to take his medication, or a consultant, coach, trainer, or therapist trying to help clients achieve their aims.

For example, a questioner may present an obliger with sound reasons for taking an action, but those logical arguments don't matter nearly as much to an obliger as external accountability. And telling a rebel, "It's the rule that you have to do this" might actually make the rebel less likely to comply.

From what I've observed, most people, by a huge margin, are questioners or obligers. Very few are rebels, and, to my astonishment, very few are upholders. Because upholders and rebels are such small populations, people who try to shape people's behavior on a large scale—employers, device manufacturers, insurance companies, instructors—do better when they focus on solutions that help questioners, by providing sound reasons, and obligers, by providing accountability.

The happiest and most successful people have figured out ways to exploit their tendency to their benefit and, just as important, ways to offset its limitations. By understanding ourselves and others better, we help ourselves build happier, healthier, and more productive lives.

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Gretchen Rubin is the author of *The Four Tendencies: The Indispensable Personality Profiles That Reveal How to Make Your Life Better (and Other People's Lives Better, Too)* (Harmony 2017), as well as the bestsellers *The Happiness Project* (Harper, 2009) and *Better Than Before: Mastering the Habits of Our Everyday Lives* (Crown, 2015). Rubin began her career in law and was clerking for Supreme Court Justice Sandra Day O'Connor when she realized she wanted to be a writer. Her award-winning podcast is "Happier with Gretchen Rubin."

Manage Your Work, Manage Your Life

Zero in on what really matters. by Boris Groysberg and Robin Abrahams

WORK/LIFE BALANCE is at best an elusive ideal and at worst a complete myth, today's senior executives will tell you. But by making deliberate choices about which opportunities they'll pursue and which they'll decline, rather than simply reacting to emergencies, leaders can and do engage meaningfully with work, family, and community. They've discovered through hard experience that prospering in the senior ranks is a matter of carefully combining work and home so as not to lose themselves, their loved ones, or their foothold on success. Those who do this most effectively involve their families in work decisions and activities. They also vigilantly manage their own human capital, endeavoring to give both work and home their due—over a period of years, not weeks or days.

That's how the 21st-century business leaders in our research said they reconcile their professional and personal lives. In this article we draw on five years' worth of interviews with almost 4,000 executives worldwide, conducted by students at Harvard Business School, and a survey of 82 executives in an HBS leadership course.

Deliberate choices don't guarantee complete control. Life sometimes takes over, whether it's a parent's dementia or a teenager's car accident. But many of the executives we've studied—men and women alike—have sustained their momentum during such challenges while staying connected to their families. Their stories and advice reflect five main themes: defining success for yourself, managing technology, building support networks at work and at home, traveling or relocating selectively, and collaborating with your partner.

Defining Success for Yourself

When you are leading a major project, you determine early on what a win should look like. The same principle applies to leading a deliberate life: You have to define what success means to you—understanding, of course, that your definition will evolve over time.

Executives' definitions of professional and personal success run a gamut from the tactical to the conceptual (see the exhibit "How Leaders Define

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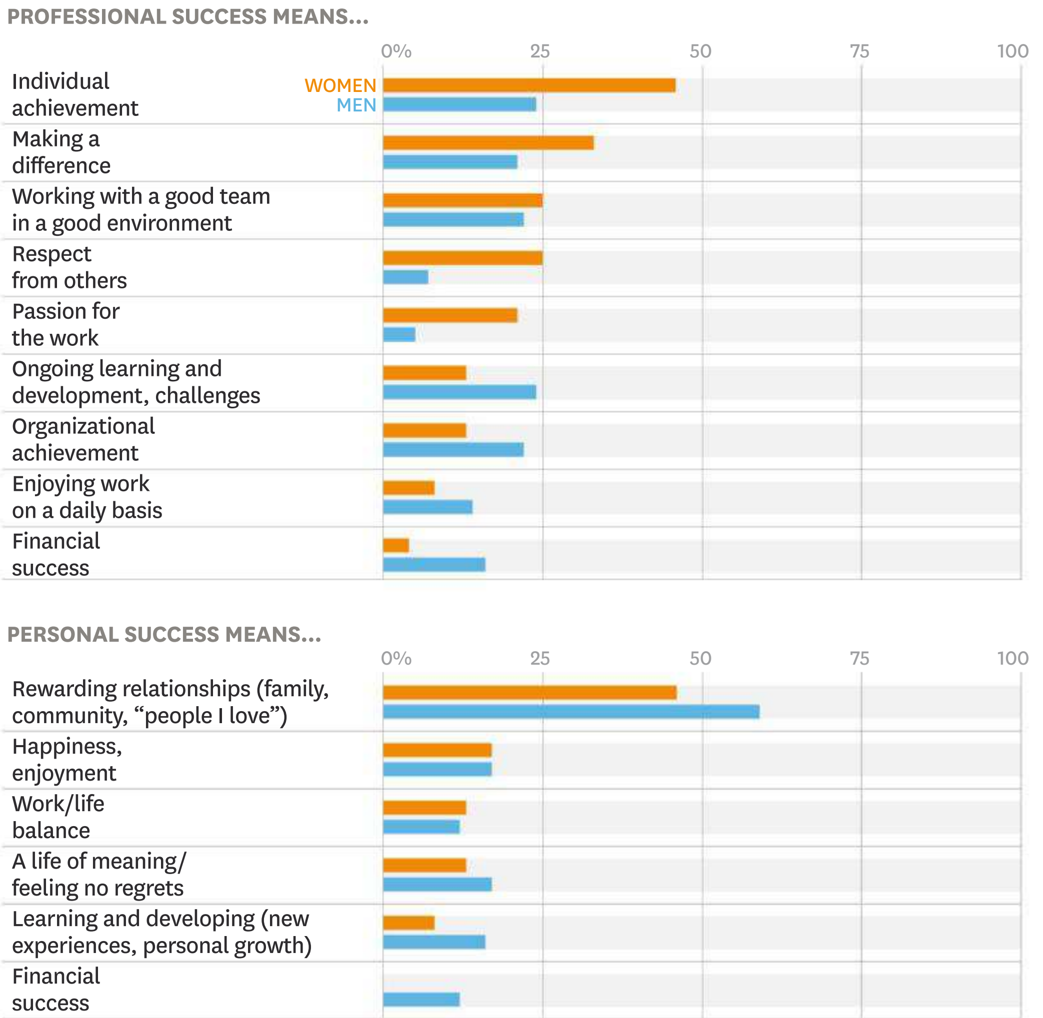
ILLUSTRATION BY DAVE WHEELER

How Leaders Define Work/Life "Wins"

In their definitions of professional and personal success, executives highlight these elements:



Work/Life 'Wins'"). For one leader, it means being home at least four nights a week. For another, it means understanding what's going on in the lives of family members. For a third, it's about having emotional energy at both work and home.

Some intriguing gender differences emerged in our survey data: In defining professional success, women place more value than men do on individual achievement, having passion for their work, receiving respect, and making a difference but place less value on organizational achievement and ongoing learning and development. A lower percentage of women than of men list financial achievement as an aspect of personal or professional success. Rewarding relationships are by far the most common element of personal success for both sexes, but men list merely having a family as an indicator of success, whereas women describe what a good family life looks like to them. Women are also more likely to mention the importance of friends and community as well as family.

The survey responses consisted of short phrases and lists, but in the interviews executives often defined personal success by telling a story or describing an ideal self or moment in time. Such narratives and self-concepts serve as motivational goalposts, helping people prioritize activities and make sense of conflicts and inconsistencies.

When work and family responsibilities collide, for example, men may lay claim to the cultural narrative of the good provider. Several male executives who admitted to spending inadequate time with their families consider absence an acceptable price for providing their children with opportunities they themselves never had. One of these men, poor during his childhood, said that his financial success both protects his children and validates his parents' struggles. Another even put a positive spin on the breakup of his family: "Looking back, I would have still made a similar decision to focus on work, as I was able to provide for my family and become a leader in my area, and these things were important to me. Now I focus on my kids' education...and spend a lot more time with them over weekends."

Even the men who pride themselves on having achieved some degree of balance between work and other realms of their lives measure themselves against a traditional male ideal. "The 10 minutes I give my kids at night is one million times greater than spending that 10 minutes at work," one interviewee said. It's difficult to imagine a woman congratulating herself for spending 10 minutes a day with her children, but a man may consider the same behavior exemplary.

Indeed, women rarely view themselves as working *for* their families the way men do. Men still think of their family responsibilities in terms of breadwinning, whereas women often see theirs as role modeling for their children. Women emphasize (far more than men do) how important it is for their kids—particularly their daughters—to see them as competent professionals. One said, "I think that work is such a big part of who I am. I want my kids to understand what I do. I am a whole being."

Many women said that the most difficult aspect of managing work and family is contending with cultural expectations about mothering. One admitted that she stopped working at home after her daughter referred to the Bloomberg network as "Mommy's channel." Another commented, "When you are paid well, you can get all the [practical] help you need. What is the most difficult thing, though—what I see my women friends leave their careers for—is the real emotional guilt of not spending enough time with their children. The guilt of *missing out*."

Both men and women expressed versions of this guilt and associated personal success with not having regrets. They often cope by assigning special significance to a particular metric, such as never missing a Little League game or checking in once a day no matter what. "I just prioritize dinner with my family as if it was a 6 PM meeting with my most important client," said one interviewee. Another offered this suggestion: "Design your house right—have a table in the kitchen where your kids can do homework while your husband cooks and you drink a glass of red wine." Though expressed as advice, this is clearly her very personal, concrete image of what success at home looks like.

Managing Technology

Nearly all the interviewees talked about how critical it is to corral their e-mails, text messages, voice mails, and other communications. Deciding when, where, and how to be accessible for work is an ongoing challenge, particularly for executives with families. Many of them cautioned against using communications technology to be in two places at once, insisting on the value of undivided attention.

Deciding when, where, and how to be accessible for work is an ongoing challenge, particularly for executives with families.

Idea in Brief

THE PROBLEM
Senior executives in this generation feel they can't achieve "balance" through constant juggling, which prevents them from engaging meaningfully either at work or at home.

THE SOLUTION
They find that they're more focused—and effective—when they make deliberate choices about which opportunities to pursue in both realms.

THE OUTCOME
Leaders who carefully manage their own human capital in this way maintain a higher degree of satisfaction professionally and personally.

"When I'm at home, I really am at home," said one. "I force myself to not check my e-mail, take calls, et cetera. I want to give my kids 100% of my attention. But this also works the other way around, because when I'm at work I really want to focus on work. I believe that mixing these spheres too much leads to confusion and mistakes."

That last point is a common concern: Always being plugged in can erode performance. One leader observed that "certain cognitive processes happen when you step away from the frenetic responding to e-mails." (The history of science, after all, is marked by insights that occurred not in the laboratory but while the scientist was engaged in a mundane task—or even asleep.) Another executive pointed out that 24-hour availability can actually hamper initiative in an organization: "If you have weak people who must ask your advice all the time, you feel important. But there is a difference between being truly important and just not letting anyone around you do anything without you."

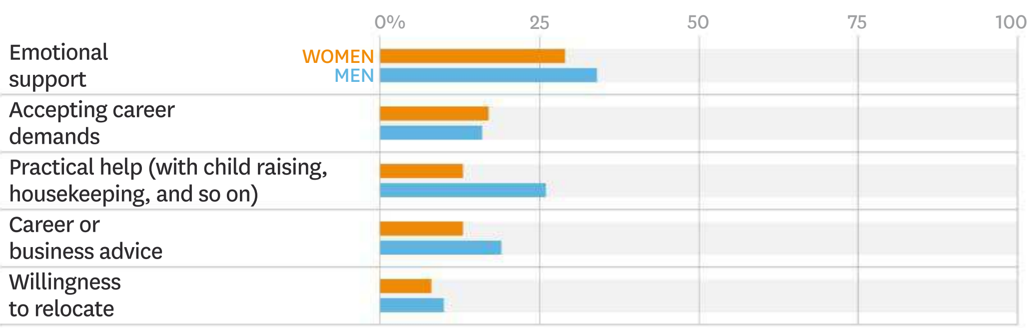
Strikingly, some people at the top are starting to use communications technology less often while they're working. Several invoked the saying "You can't raise a kid by phone"—and pointed out that it's not the best way to manage a team, either. Often, if it's logistically possible, you're better off communicating in person. How do you know when that's the case? One interviewee made an important distinction between broadcasting information and exchanging and analyzing ideas: "Speaking [on the phone] is easy, but careful, thoughtful listening becomes very challenging. For the most important conversations, I see a real trend moving back to face-to-face. When you're evaluating multibillion-dollar deals...you have to build a bridge to the people."

When it comes to technology in the home, more than a third of the surveyed executives view it as an invader, and about a quarter see it as a liberator. (The rest are neutral or have mixed feelings.) Some of them resent the smartphone's infringement on family time: "When your phone buzzes," one ruefully noted, it's difficult to "keep your eyes on that soccer field." Others appreciate the flexibility that technology affords them: "I will probably leave here around 4 PM to wrangle my kids," said one participant, "but I will be back and locked into my network and e-mails by 8 PM." Another participant reported, "Sometimes my kids give me a hard time about being on my BlackBerry at the dinner table, but I tell them that my BlackBerry is what enables me to be home with them."

Both camps—those who hate being plugged in and those who love it—acknowledged that executives must learn to manage communications technology wisely. Overall, they view it as a good servant but a bad master. Their advice in this area is quite consistent: Make yourself available but not *too* available to your team; be honest with yourself about how much you can multitask; build relationships and trust through face time; and keep your in-box under control.

What Partners Contribute

Executives say that their partners and spouses share their vision of success, bring complementary skills, and provide the following types of support:



Many leaders believe in acquiring global experience and racking up travel miles while they're young and unencumbered.

Building Support Networks

Across the board, senior executives insisted that managing family and professional life requires a strong network of behind-the-scenes supporters. Absent a primary caregiver who stays at home, they see paid help or assistance from extended family as a necessity. The women in our sample are adamant about this. One said, "We hire people to do the more tactical things—groceries, cooking, helping the children dress—so that we can be there for the most important things." Even interviewees without children said they needed support at home when they became responsible for aging parents or suffered their own health problems.

Emotional support is equally essential. Like anyone else, executives occasionally need to vent when they're dealing with something crazy or irritating at work, and friends and family are a safer audience than colleagues. Sometimes leaders also turn to their personal networks for a fresh perspective on a problem or a decision, because members of their teams don't always have the distance to be objective.

Support at work matters too. Trusted colleagues serve as valuable sounding boards. And many leaders reported that health crises—their own or family members'—might have derailed their careers if not for compassionate bosses and coworkers. The unexpected can waylay even the most carefully planned career.

"When you're young, you think you can control everything," one interviewee said, "but you can't." Executives told stories about heart attacks, cancer, and parents in need of care. One talked about a psychotic reaction to medication. In those situations, mentors and team members helped leaders weather difficult times and eventually return to business as usual.

What about mixing personal and professional networks, since executives must draw on both anyway? That's up for discussion. The men we surveyed tend to prefer separate networks, and the women are pretty evenly split. Interviewees who favor integration said it's a relief to be "the same person" in all contexts and natural to form friendships at work, where they spend most of their time. Those who separate their work lives from their private lives have many reasons for doing so. Some seek novelty and a counterbalance to work. "If all of your socializing centers around your work life, you tend to experience an ever-decreasing circle of influence and ideas," one pointed out. Others want to protect their personal relationships from the churn of the workplace.

Many women keep their networks separate for fear of harming their image. Some never mention their families at work because they don't want to appear unprofessional. A few female executives won't discuss their careers—or even mention that they have jobs—in conversations outside work. But again, not all women reported such conflict between their professional and personal "selves," and several suggested that the tide is turning. One pointed out, "The more women have come into the workplace, the more I talk about my children."

Traveling or Relocating Selectively

Discussions about work/life balance usually focus on managing time. But it's also critical to manage your location—and, more broadly, your role in the global economy. When leaders decide whether to travel or relocate (internationally or domestically), their home lives play a huge part. That's why many of them believe in acquiring global experience and racking up travel miles while they're young and unencumbered. Of those surveyed, 32% said they had turned down an international assignment because they did not want to relocate their families, and 28% said they had done so to protect their marriages.

Several executives told stories about getting sidetracked or derailed in their careers because a partner or spouse needed to relocate. Of course, travel becomes even trickier with children. Many women reported cutting back on business trips after having children, and several executives of both sexes said they had refused to relocate when their children were adolescents. "When children are very young, they are more mobile," one explained. "But once they are 12 or 13, they want to be in one place."

Female executives are less likely than men to be offered or accept international assignments, in part because of family responsibilities but also because of the restrictive gender roles in certain cultures or perceptions that they are unwilling to relocate. Our survey results—from a well-traveled sample—jibe with student interviewers' qualitative findings. Almost none of the men surveyed (less than 1%, compared with 13% of the women) had turned down an international assignment because of cultural concerns. But for female executives, not all travel is created equal: Gender norms, employment laws, health-care access, and views on work/life balance vary from country to country. One American woman said it requires extra effort in Europe to make sure she doesn't "come off as being intimidating," a concern she attributes in part to being tall. Another woman said that in the Middle East she has had to bring male colleagues to meetings to prove her credibility.

Though women in particular have such difficulties, international assignments are not easy for anyone, and they may simply not be worth it for many executives. Members of both sexes have built gratifying careers while grounding themselves in a particular country or even city. However, if travel is undesirable, ambitious young executives should decide so early on. That way they can avoid getting trapped in an industry that doesn't mesh with their geographic preferences and give themselves time to find ways other than travel to signal open-mindedness, sophistication, skill diversity, and willingness to go above and beyond. (Several executives noted that international experience is often viewed as a sign of those personal attributes.) "International experience can be helpful," one executive observed, "but it's just as important to have had exposure across the business lines. Both allow you to understand that not everybody thinks as you do." Some executives even question the future of globe-hopping, noting that carbon costs, fuel costs, and security concerns may tighten future travel budgets.

Executives of both sexes consider the tension between work and family to be primarily a women's problem.

Collaborating with Your Partner

Managing yourself, technology, networks, travel—it's a tall order. Leaders with strong family lives spoke again and again of needing a shared vision of success for everyone at home—not just for themselves. Most of the executives in our sample have partners or spouses, and common goals hold those couples together. Their relationships offer both partners opportunities—for uninterrupted (or less interrupted) work, for adventurous travel, for intensive parenting, for political or community impact—that they might not otherwise have had.

Leaders also emphasized the importance of complementary relationships. Many said how much they value their partners' emotional intelligence, task focus, big-picture thinking, detail orientation—in short, whatever cognitive or behavioral skills balance out their own tendencies. And many of those we surveyed consider emotional support the biggest contribution their partners have made to their careers. Both men and women often mentioned that their partners believe in them or have urged them to take business risks or pursue job opportunities that were not immediately rewarding but led to longer-term satisfaction. They also look to their partners to be sounding boards and honest critics. One executive said that her partner asks "probing questions to challenge my thinking so I can be better prepared for an opposing viewpoint."

A partner's support may come in many forms, but what it almost always boils down to is making sure the executive manages his or her own human capital effectively. The pressures and demands on executives are intense, multidirectional, and unceasing. Partners can help them keep their eyes on what matters, budget their time and energy, live healthfully, and make deliberate choices—sometimes tough ones—about work, travel, household management, and community involvement.

Men, however, appear to be getting more spousal support overall. Male interviewees—many of whom have stay-at-home wives—often spoke of their spouses' willingness to take care of children, tolerate long work hours, and even relocate, sometimes as a way of life. But by and large, they no longer seem to expect the classic 1950s "corporate wife," who hosted dinners for the boss and cocktail parties for clients. (Exceptions exist in some countries and industries. One male executive who works in oil fields said, "When you are living and working in those camp environments, it is indispensable to have your wife talk with other spouses.") Men frequently noted that their partners won't allow them to neglect their families, health, or social lives. For example: "My wife is militant about family dinner, and I am home every night for dinner even if I have to work afterward."

Women, by contrast, slightly more often mentioned their partners' willingness to free them from traditional roles at home. One explained, in a typical comment, "He understands the demands of my role and does not put pressure on me when work takes more time than I would like." In other words, male executives tend to praise their partners for making positive contributions to their careers, whereas women praise theirs for not interfering.

When we look at the survey data, we see other striking differences between the sexes. Fully 88% of the men are married, compared with 70% of the women. And 60% of the men have spouses who don't work full-time outside the home, compared with only 10% of the women. The men have an average of 2.22 children; the women, 1.67.

What Tomorrow's Leaders Think

The fact that the interviewees all agreed to take time from their hectic schedules to share their insights with students might introduce a selection effect. Busy leaders who choose to help students presumably value interpersonal relationships. Because they're inclined to reflect on work and life, they're probably also making deliberate choices in both realms—and they certainly have enough money to pay for support at home. All that may explain why many interviewees reported being basically happy despite their struggles and why few mentioned serious damage to their marriages or families due to career pressures. This sample is an elite group of people better positioned than

ABOUT THE RESEARCH

Since 2008 more than 600 students in Harvard Business School's second-year Managing Human Capital course have interviewed 3,850 C-suite executives and leaders (of whom 655 were CEOs, presidents, or board members) at companies and nonprofits around the world.

The goal? To gain greater insight into how today's top leaders make choices in their professional and personal lives. This project has been a true partnership between the students and the executives. Everyone involved wanted to deeply explore what it means for leaders to manage their human capital in the 21st century—and more specifically, in the wake of the recent global recession.

The executives were a diverse group (44% female, 56% male) and represented a wide range of industries, including finance, retail, energy, health care, and technology. They came from 51 countries, and 45% of them had worked in countries other than the United States.

The interviews were semistructured: As long as students related their questions to topics covered in Managing Human Capital, they were allowed considerable leeway in what to ask and how far to go in following up on responses. That way they could dig into the issues they found most compelling.

To supplement the interviews, we surveyed 82 senior executives who were attending a 2012 leadership course at HBS. We asked them about their experiences managing their careers and families. The sample consisted of 58 men and 24 women from 33 countries in Africa, Europe, Asia, the Middle East, and North and South America. Statistics in the article come from the survey data, and quotations come from the field data.

Further Reading

ARTICLES

How Will You Measure Your Life?
by Clayton M. Christensen
HBR, July–August 2010
Product no. R1007B
Christensen explains how management and innovation theories can be applied not only to building better companies but also to helping people lead better lives, with a focus on finding happiness in career and family life and living with integrity.

Work + Home + Community + Self
by Stewart D. Friedman
HBR, September 2014
Product no. R1409K
In the struggle to have meaningful work, domestic bliss, community engagement, and a satisfying inner life, don't assume you have to make trade-offs. Friedman describes a more realistic and gratifying goal: better integration through "four-way wins" that improve performance in all domains—starting with being real, being whole, and being innovative.

most to achieve work/life balance. That they nevertheless consider it an impossible task suggests a sobering reality for the rest of us.

Our student interviewers say, almost universally, that the leaders they spoke with dispensed valuable advice about how to maintain both a career and a family. One interviewer reported, "All acknowledged making sacrifices and concessions at times but emphasized the important role that supportive spouses and families played." Still, many students are alarmed at how much leaders sacrifice at home and how little headway the business world has made in adapting to families' needs.

Male executives admitted that they don't prioritize their families enough. And women are more likely than men to have forgone kids or marriage to avoid the pressures of combining work and family. One said, "Because I'm not a mother, I haven't experienced the major driver of inequality: having children." She added, "People assume that if you don't have kids, then you either can't have kids or else you're a hard-driving bitch. So I haven't had any negative career repercussions, but I've probably been judged personally."

Executives of both sexes consider the tension between work and family to be primarily a women's problem, and the students find that discouraging. "Given that leadership positions in corporations around the world are still dominated by men," one explained, "I fear that it will take many organizations much longer than it should to make accommodations for women to...effectively manage their careers and personal lives."

Students also resist leaders' commonly held belief that you can't compete in the global marketplace while leading a "balanced" life. When one executive argued that it's impossible to have "a great family life, hobbies, and an amazing career" all at the same time, the student interviewing him initially thought, "That's his perspective." But after more conversations with leaders? "Every single executive confirmed this view in one way or another, and I came to believe that it is the reality of today's business world." It remains to be seen whether, and how, that reality can be changed for tomorrow.

WE CAN'T PREDICT what the workplace or the family will look like later in this century, or how the two institutions will coexist. But we can assert three simple truths:

Life happens. Even the most dedicated executive may suddenly have his or her priorities upended by a personal crisis—a heart attack, for instance, or a death in the family. As one pointed out, people tend to ignore work/life balance until "something is wrong." But that kind of disregard is a choice, and not a wise one. Since when do smart executives assume that everything will work out just fine? If that approach makes no sense in the boardroom or on the factory floor, it makes no sense in one's personal life.

There are multiple routes to success. Some people plan their careers in detail; others grab whatever opportunity presents itself. Some stick with one company, building political capital and a deep knowledge of the organization's culture and resources; others change employers frequently, relying on external contacts and a fresh perspective to achieve success. Similarly, at home different solutions work for different individuals and families. Some executives have a stay-at-home partner; others make trade-offs to enable both partners to work. The questions of child care, international postings, and smartphones at the dinner table don't have "right" answers. But the questions need to be asked.

No one can do it alone. Of the many paths to success, none can be walked alone. A support network is crucial both at and outside work—and members of that network must get their needs met too. In pursuit of rich professional and personal lives, men and women will surely continue to face tough decisions about where to concentrate their efforts. Our research suggests that earnestly trying to focus is what will see them through.

HBR Reprint R1403C

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No, You Can't Have It All

Here's a framework for deciding which work–life goals to pursue when. by Eric C. Sinoway

IMAGINE THAT A COMPANY needs two volunteers for a high-profile, out-of-town project. Who should go? Everyone has pressures and commitments to consider. There's the young manager eager for his next promotion but worried about leaving his wife at home with their toddler and newborn son; the rising star who's already juggling long hours at work, a part-time MBA program, and the planning of her wedding; the mid-career executive who just joined a nonprofit board and doesn't want to miss his first meeting; the single colleague who would relish the assignment but is about to move her father into a nursing home; and an overweight team member with a family history of diabetes who knows the travel will cause him to blow his new diet and exercise routine.

Platitudes about the importance of work–life balance don't fully capture the complexity of those employees' situations. The pursuit of a meaningful, multifaceted life involves endless choices about both short-term tactical issues ("Should I volunteer for this project?") and long-term strategic ones ("How can I position myself to advance in my career?"). Howard Stevenson is an entrepreneur, professor, philanthropist, former chairman of Harvard Business Publishing, husband, and father who has spent four decades studying, teaching, and advising leaders in all types of organizations. He likens the challenge to walking on a balance beam while trying to juggle an egg, a crystal glass, a knife, and any number of other fragile or hazardous objects. As you progress in your career and life, more responsibilities and opportunities are tossed at you. And so at some point, to maintain your balance, you'll have to drop something. The key is to decide consciously what to relinquish instead of unwittingly letting go of the most important item.

It's hard for high-achieving people to accept that they can't have it all. Even those who recognize the limits on their time often still expect to be energetic and efficient enough to excel in every role: productive employee, inspiring boss and mentor, supportive colleague, active community member, and committed spouse, friend, parent, and child. It's a natural response to our upbringings; after all, in school we're taught that

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ILLUSTRATION BY DAVE WHEELER

CAN YOU REALLY ACHIEVE YOUR GOAL?

Before trying to pursue a significant goal, especially a professional one, it's important to assess whether you have the ability to achieve it. Consider two things:

1. Do you have the required core capacities: knowledge, skills, and personal characteristics?

2. Are your capacities as good as or better than those of other people with the same goal?

If you answer no to either question, you should consider revising your goal. If you answer yes to both, make sure you're not succumbing to one of these five common fallacies:

The hard-work fallacy
Believing that determined effort will compensate for your shortcomings

The smarts fallacy
Thinking that general intelligence translates into specific skills

The magnification fallacy
Assuming that your particular talent is somehow more special than your peers'

The passion fallacy
Believing you're good at things just because you really enjoy them or because they are immensely important to you

The "wishing will make it so" fallacy
Convincing yourself that success (for you, anyway) will be easy

hardworking, intelligent students can get straight A's. But in the messy real world, it is impossible to do everything perfectly at the same time. You cannot pursue all your goals simultaneously or satisfy all your desires at once. And it's an emotional drain to think you can. Instead, you must focus on long-term fulfillment rather than short-term success and, at various points in your life, think carefully about your priorities.

This article presents a framework that I have developed in collaboration with Howard. It's based on his experience teaching and mentoring students and on the lessons I've learned navigating my own career and now running Axcess Worldwide. The framework is designed to help people—particularly ambitious executives—understand their limits and make the tough trade-offs that can lead to more-satisfying careers and lives.

You, the Ongoing Process

We all know that it's difficult for a company to make good strategic or tactical decisions without a mission in mind. The same holds true for individuals. Think of a jigsaw puzzle: It's much easier to put the pieces together if you look at the front of the box. But life does not come with a picture that shows what success looks like. Most of us start walking and juggling on the balance beam without thinking holistically and explicitly about what aspects of our lives we value most and how we value those things in relation to one another. Those assessments are not easy, but they are central to defining your goals and your desired legacy. It helps to carefully consider all the dimensions of your life. Howard and I have identified seven:

- Family (parents, children, siblings, in-laws, and so on)
- Social and community (friendships and community engagement)
- Spiritual (religion, philosophy, or emotional outlook)
- Physical (health and well-being)
- Material (physical environment and possessions)
- Avocational (hobbies and other nonprofessional activities)
- Career (both short- and long-term perspectives)

For each dimension ask yourself three questions: Who do I want to be in this part of my life? How much do I want to experience this dimension? Given that I have a finite amount of time, energy, and resources, how important is this dimension relative to the others?

As you consider the answers, it's important to recognize two points. First, each dimension presents distinct challenges. It's crucial to tease them apart so that you are facing not an overwhelming whole but discrete issues that can be addressed individually. Second, your evaluation can and will change. The idea is to develop an aspirational picture of yourself for the present and a legacy vision for the future as a guide for deciding how to spend your personal resources. This is especially important when you feel you're losing your balance or are about to fumble.

Two of Howard's own life experiences offer potent examples of how to use this aspirational vision to shape decisions both large and small. The first is from the time when he was building Baupost—the money management firm he cofounded—as well as teaching at Harvard Business School. At that point, he couldn't spend as much time as he would have liked with his young children, because he was working long hours and traveling a lot. The situation reflected clear decisions he and his wife had made: He would sacrifice the family dimension of his life for a while in order to create the best long-term outcome for all of them. But Howard employed a tactical fix that honored his vision of himself as a committed husband and father. Whenever he was at home, he was fully responsive. Regardless of what else he was doing—catching up on work, reading a book, cleaning out the garage—if one of his family members asked for help with something or just wanted to talk, he would stop and engage. He knew that the emotional value from the interaction—for him and his family—would be far higher than the value of any other task. He applied clear-headed analysis to an important challenge: how to be a good father, husband, and provider while maximizing the professional dimension of his life.

Several years later, when Howard was in his late 40s and thriving at both Baupost and Harvard, he faced a much more complicated set of choices when his marriage ended. He realized he could regain his own and his sons' equilibrium only by rechanneling personal resources from his career to his family. And so he gave up his leadership role at Baupost—a job he loved, and one that might have given him an income in the tens of millions of dollars. "I needed to earn a consistently good grade as a father for an extended period," he explained. "I couldn't risk having some aspect of my family responsibilities slip through my fingers. Sure, my ego and my wallet both took big hits. But the value of having more time and energy for my kids far outweighed any incremental monetary value."

Assessing Value

Notice that in describing his experiences, Howard used the word "value." That's because he's an entrepreneur who knows that the only way to truly assess cost is to understand the value of one choice relative to another. For example, an hour spent reading to your daughter has a different value than an hour spent playing basketball with friends; and both have values different from an hour spent studying for a licensing exam or volunteering at a homeless shelter. The key is to differentiate between options that appear to be equally valuable by carefully considering how each of them advances you toward one dimension or another of your legacy vision. The following questions can help you in that process.

Where do your options fall on the needs–wants spectrum? Needs start with food, shelter, and health; wants include diamond necklaces, round-the-world cruises, and mansions. Needs have more intrinsic value than wants. But most things fall somewhere in the middle. So the goal is to understand, in relative terms, where your options fall on the spectrum, based on your individual circumstances at a given moment and on your legacy vision. Some wants are so strong—because of habit or even peer pressure—that it's difficult to separate them from needs.

Consider two examples. (In these and the cases of Willie and Andrew, below, names and some personal details have been changed out of respect for the subjects' privacy.) The first concerns a college classmate, Carin, who gets very sad if she can't take time each day to play the piano; the hobby is so much a part of who she wants to be that it has become, in practical terms, a need, so she sacrifices in other dimensions of her life to make time for it. The second involves two former colleagues, Irwin and Bill, who work at the same firm. Both were considering buying an expensive car and a handmade Swiss watch—investments that would consume significant amounts of cash and curtail their 401(k) contributions. For Irwin, a 29-year-old trying to impress his peers, these purchases were largely wants. But for Bill, a 46-year-old who had been promoted to a senior role in the luxury division of the company and was routinely entertaining wealthy clients, the car and the watch were closer to needs: He had to present himself in a certain way to be successful.

What are the investment and opportunity costs? Almost every decision—whether agreeing to a strategic business alliance or committing to a leadership role in a nonprofit organization—involves two kinds of costs. There's the investment cost: the time, energy, and other resources you expend. And there's the opportunity cost: the options you forgo by investing those resources. The challenge with investment costs is to be explicit about them up front and to understand if and how incurring them will lead you to your desired, well-defined outcome.

For example, rather than blindly diving into a full-scale job search to explore new career options, which would represent a very large investment of time and energy, you can commit to spending just five hours a week for two months researching a few industries you find promising, networking with contacts who know them, and doing informational interviews with executives working in them. The goal might be to create a short list of 10 companies where you'd like to work and to pinpoint three to five roles you'd like to play at them. At the same time, be sure to weigh your opportunity costs: what you won't be able to do because you're spending five hours a week on the job search. Perhaps you'll have to stop playing in the after-work softball league or decline to participate in a new cross-division initiative at your current workplace.

Are the potential benefits worth the costs? Expected benefits must be evaluated just as carefully as costs, and in relation to them. Does the benefit you'll receive warrant the investment you'll have to make? The songwriter Lucy Kaplansky captures this idea succinctly: "How much did it cost you? How much did you pay? And are you sorry at the end of the day?" Willie, a friend who works for a large conglomerate, was recently told by his boss that he would be well served to earn his CPA, an achievement that requires three years of coursework. "Well served" implies a benefit, but how much of one? Would he get a promotion or a raise after earning his CPA? If so, to what level? Would he be eligible to move to other divisions

Idea in Brief

THE CHALLENGE

It's hard for high-achieving people to accept that they can't have it all.

THE FRAMEWORK

This article offers a framework to help executives understand their limits and make the tough trade-offs that can lead to more-satisfying careers and lives. There are seven dimensions of your life to focus on: family, community, spiritual, physical, material, avocational, and career.

Developing an aspirational picture of yourself for the present and a legacy vision for the future helps you to decide how to spend your limited personal resources. This requires a clear sense of the value of one choice relative to another. The key is to consider each option in terms of how it advances you toward one dimension or another of your legacy vision. The author outlines several important questions to help you with this stage.

THE ALTERNATIVE

Rather than strive for work-life balance, the framework helps you holistically seek both success and satisfaction.

Further Reading

ARTICLES

Managing the High-Intensity Workplace

by Erin Reid and Lakshmi Ramarajan

HBR, June 2016
Product no. R1606G

Although employees are pressured to be "ideal workers," the authors have found that selfless dedication to work is often unnecessary and even harmful—both to individuals and to their organizations. They discuss three typical strategies for coping with demanding workplaces, along with the risks associated with each.

Even Swaps: A Rational Method for Making Trade-Offs

by John S. Hammond, Ralph L. Keeney, and Howard Raiffa

HBR, March–April 1998
Product no. 98206

This article offers insight to any decision maker who is struggling with a hard choice. The authors' system, called "even swaps," is a practical way of making trade-offs among various objectives across a range of alternatives.

in the company? If so, which ones? Willie has to answer those questions in order to decide whether the costs of this particular effort would produce acceptable returns.

Can you make a trade? Life is full of trade-offs, but sometimes units of one element of your life can't be exchanged for units of a different element. Think of Steve Jobs, who assuredly would have paid great sums to cure his cancer. But his money could not buy him health. There was no trade to be had. Many of us face similar, albeit less consequential, challenges throughout our careers and lives as we try to exchange something we have for something else that we want. The frustration arises when the two items in question can't be traded.

Consider the case of Andrew, a managing director at a respected financial services firm. He'd spent nearly 20 years in investment banking, but thanks to the unsteady economy, the demonization of his profession, and increased regulation, he was no longer enjoying his work. He'd long dreamed of walking away from financial services and opening a small beachside restaurant, and so, at age 52, he resigned. The firm offered him a staggering sum to stay, provided he commit to a five-year contract. After a few days of consideration, Andrew agreed, but now, two years later, he's miserable and still thinking about his restaurant. He ended up exchanging wealth for freedom, and although the money seemed very big and the freedom to be gained from his new endeavor relatively small, in the end it was a bad trade.

Can you pursue your most important goals sequentially? Howard is fond of citing a piece of advice his mother often gave him: "Remember that you may be able to have everything you want in life—just not all at once." Consciously staggering your goals may enable you to be equally successful in many dimensions over time. Mike Leven, the 74-year-old president and COO of Las Vegas Sands, has said that he decided to focus on his work dimension later than his peers, because he wanted to be a more hands-on parent when his three children were young. So he reached professional goals at 45 that many friends reached at 40; achieved wealth later than others; and secured his first really big job, as the president of Days Inn, when his kids were a bit older. He didn't slack off in the early part of his career, but he did give himself permission to pursue his top personal and professional goals—of being a great father and a successful corporate leader—at different points in his life, because he believed he couldn't achieve them simultaneously.

In today's complex, frenetic world, many of us are—like the employees described at the start of this article—struggling to chart a path toward success in our careers and a sense of fulfillment in all aspects of our lives. Any decision can be easier if you think carefully about your goals; the dimensions of yourself that are most important to you; your needs and wants; the specific costs and benefits associated with your choices; the commensurability of those choices; and whether certain goals should be sequenced instead of pursued simultaneously to give you a better chance of success. Instead of striving for work-life balance, or even worrying about juggling on the balance beam, use this framework to pursue your life's work—holistically seeking both success and satisfaction. In the real world, isn't that what "having it all" really comes down to?

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Consciously staggering your goals may enable you to be equally successful in many dimensions over time.

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Reaching Your Potential

Fulfillment doesn't come from clearing hurdles others set for you; it comes from clearing those you set for yourself. by Robert Steven Kaplan

AMBITIOUS PROFESSIONALS often spend a substantial amount of time thinking about strategies that will help them achieve greater levels of success. They strive for a more impressive job title, higher compensation, and responsibility for more sizable revenues, profits, and numbers of employees. Their definitions of success are often heavily influenced by family, friends, and colleagues.

Yet many ultimately find that, despite their efforts and accomplishments, they lack a true sense of professional satisfaction and fulfillment. During my career with Goldman Sachs, as well as over the past few years of teaching and coaching managers and MBA students at Harvard Business School, I have met a surprisingly large number of impressive executives who expressed deep frustration with their careers. They looked back and felt that they should have achieved more or even wished that they had chosen a different career altogether.

Originally published in July–August 2008

ILLUSTRATION BY DAVID WHEELER

Consider a very successful research analyst at a large securities firm who came to see me because he was discouraged with his career progress. This was particularly ironic because he was well known, highly regarded (ranked number one in his industry sector), and well compensated. He told me that, after 10 years, he was tired of his job, disliked his boss, and felt he had no potential for further upward mobility. Most of all, he had always wanted to be an investment manager, but he had started out as an analyst and never really reassessed his career path. He felt trapped. He feared losing his stature and didn't want to let anyone down, but at the same time he didn't want to keep doing what he was doing.

As we talked, he wondered if he'd been so busy trying to reach specific milestones and impress other people that he'd lost sight of what he really enjoyed doing. The truth was that he loved analyzing stocks and assessing management teams, but he also wanted to have the responsibility for making the actual investment decisions and then be held accountable for the results. I encouraged him to take action and speak to a number of investment firms (including his current employer) about a career change. After doing this, he ultimately was offered and accepted a portfolio manager position in the asset management division of his current firm. He learned that his firm's leaders wanted to retain him regardless of job description and that they were quite surprised to find out he wanted to be on the investment side of the business. He has since become a superb investment manager, and although he wishes he'd stepped back and reexamined his career years earlier, he's thrilled that he made the switch while there was "still time."

If you are experiencing similar feelings of frustration or even regret about the direction of your career, this article is intended to help you examine the question, "Am I reaching my potential?" This is not the same as asking, "How do I rise to the top?" or "How can I be successful in my career?" Rather, it's about taking a very personal look at how *you* define success in your heart of hearts and then finding *your* path to get there.

To do that, you must step back and reassess your career—starting with the recognition that managing it is your responsibility. Too many people feel like victims in their careers, when in fact they have a substantial degree of control. Seizing control requires you to take a fresh look at your behavior in three main areas: knowing yourself, excelling at critical tasks, and demonstrating character and leadership.

Knowing Yourself

Taking responsibility for your career starts with an accurate assessment of your current skills and performance. Can you write down your two or three greatest strengths and your two or three most significant weaknesses? While most people can detail their strengths, they often struggle to identify key weaknesses. This exercise involves meaningful reflection and, almost always, requires soliciting the views of people who will tell you the brutal truth. Unfortunately, you often can't count on your boss to accurately assess your strengths or to be willing to confront you with what you're doing wrong. It's up to you to take control of this process by seeking coaching, asking for very specific feedback, and being receptive to input from a wide variety of people at various levels within your organization. This gathering of feedback needs to be an ongoing process because, as your career progresses, you will face new challenges and demands.

Recently I met with a division head of a large professional services firm. Though he'd been a rising star for several years, he felt he'd begun to stagnate. His direct reports and his CEO no longer seemed engaged and enthusiastic in their dealings with him, and he didn't know why. In our discussions, he was able to specifically describe his strengths, but when I asked about his weaknesses, he gave me fairly generic responses, such as "Maybe I'm too impatient" and "I need to raise my profile." When I pressed him about feedback from his boss he still struggled to identify even one specific weakness. I sent him off on an as-

"Am I reaching my potential?" is not the same as asking, "How do I rise to the top?"

signment: Interview at least five colleagues and subordinates.

He returned a few weeks later with several "surprises." He'd heard, for example, that while he was detail-oriented and decisive, he micromanaged, had a dictatorial style, and failed to listen. Armed with these insights, he sought coaching, started working on his flaws, and began regularly soliciting feedback from his colleagues and subordinates. A year later he reported that his effectiveness had improved as a result of these ongoing efforts, and he was once again feeling confident and optimistic about his career.

This type of initiative takes time, humility, and a willingness to confront weaknesses, fears, and blind spots that many of us would rather ignore. But I never cease to be impressed by the capacity of people to change and improve once they recognize their shortcomings as well as their strengths.

Of course, getting others to tell you where you're falling short isn't easy—particularly if they're your subordinates. It must be done in one-on-one conversations, and you need to give potential coaches time to learn that you're sincere. When your employees see you actually act on their feedback, they are likely to become more proactive in offering advice, because they know you value their input. Your subordinates and colleagues will also feel they have a stake in your success and that of your unit—which will make them more likely to enjoy working with you.

Once you have a grip on your strengths and weaknesses, your next challenge is to figure out what you truly enjoy doing. What's your dream job? How well does it match what you currently do? Many people either don't know what their passions are or are so focused on the views of their peers that they drift into the wrong career. I was recently approached by an MBA student who wanted advice on whether to go work for a hedge fund, a private equity firm, or an investment bank. When asked whether he had an interest in financial markets, he quickly said no. He wasn't even sure about the key tasks that each of those jobs would entail. When asked what he would do if he had $10 million in the bank, however, his answer was very clear: pursue a career in the music industry. He was a concert-level musician and loved the music business. Once he recognized how much he had been swayed by his fellow students' bias toward the lucrative financial services industry, he realized he needed to rethink his choices.

The conventional wisdom about the attractiveness of various careers changes constantly. Twenty-five years ago the medical and legal professions were considered financially rewarding and socially desirable. Today, a number of doctors and lawyers are frustrated in their jobs and realize that they might have based their career choices excessively on the views of their peers and popular opinion, instead of on whether they would actually love the work. Hedge funds and private equity are today's hot fields, but people who go into them without a strong enthusiasm for the actual tasks may find themselves starting from scratch a few years down the line. Loving what you do gives you the strength to weather personal setbacks, overcome adversity, face and address your weaknesses, and work the long hours typically needed to reach your full potential.

Excelling at Critical Tasks

It's very difficult to succeed if you don't excel at the tasks that are central to your chosen enterprise. That sounds painfully simple, but many executives fail to identify the three or four most important activities that lead to success in their job or business. If you're a medical researcher, the three keys are likely to be conducting cutting-edge research, getting published, and fund-raising. If you manage a large sales force, the crucial tasks might be attracting, retaining, and developing outstanding salespeople; customer segmentation; and client relationship management. If you're assessing a potential job move, you need to know what will drive success in the new position and, then, ask yourself whether you enjoy those key tasks. In your current job, identifying critical tasks helps you determine how to spend your time and develop your skills.

Promising leaders sometimes lose sight of this connection. Not long ago, a new division head at a large industrial company told me that he was struggling to grow sales and profits. He complained that he was spending too much time fighting fires and didn't have enough hours in the day. When I asked him to identify the three main drivers of success in his business, he realized that he wasn't sure. He spent the next several weeks interviewing staff and customers, and concluded that success in his business depended on developing close relationships with the purchasing managers at each of his top 25 customers, putting

Idea in Brief

THE CHALLENGE

Despite racking up impressive accomplishments, you feel frustrated with your career—convinced you should be achieving more. You may even wish you had chosen a different career altogether.

These feelings often stem from a common error: buying into others' definitions of success. To reach your potential, Kaplan suggests taking a deeply personal look at how *you* define success.

THE SOLUTION

Begin by recognizing that managing your career is *your* responsibility. Then, follow these three steps:

- **Know yourself** by identifying your strengths and weaknesses and the activities you truly enjoy doing.
- **Excel** at the activities critical to success in your desired role.
- **Demonstrate character and leadership** by putting the interests of your company and colleagues ahead of your own.

Further Reading

ARTICLES

Happiness Traps: How We Sabotage Ourselves at Work
by Annie McKee
HBR, September–October 2017
Product no. R1705D

Studies show that almost two-thirds of U.S. employees are unhappy at work. McKee highlights three of the most common reasons—ambition, doing what's expected, and overwork—which might seem productive but can actually be hazardous when taken to the extreme, and explains how to break free of these "happiness traps."

How to Play to Your Strengths
by Laura Morgan Roberts, Gretchen Spreitzer, Jane Dutton, Robert Quinn, Emily Heaphy, and Brianna Barker
HBR, January 2005
Product no. R0501G

This article presents a tool, the Reflected Best Self exercise, to counterbalance the negative input typical of most feedback and tap into talents you may or may not be aware of, thus increasing your career potential.

the right people in critical sales and manufacturing leadership positions, and staying at the cutting edge of product innovation. He also realized that his division was performing poorly in all three areas.

He proceeded to clear his calendar, force himself to delegate tasks that were less central to success, and focus on raising the bar in each of these areas. Six months later he reported that he had replaced a number of executives—including the sales manager and head of product development—and created an executive committee that met weekly to discuss critical business issues. He also reported that he'd become much more disciplined in matching his priorities (and those of his leadership team) with the keys to success for the business. Sales and profits began to improve, and he felt confident that he would resume his upward career trajectory.

Demonstrating Character and Leadership

While seemingly amorphous, character and leadership often make the difference between good performance and great performance. One measure of character is the degree to which you put the interests of your company and colleagues ahead of your own. Excellent leaders are willing to do things for others without regard to what's in it for them. They coach and mentor. They have the mind-set of an owner and figure out what they would do if they were the ultimate decision maker. They're willing to make a recommendation that would benefit the organization's overall performance, possibly to the detriment of their own unit. They have the courage to trust that they will eventually be rewarded, even if their actions may not be in their own short-term interest.

Being a leader also means being willing to speak up, even when you're expressing an unpopular view. CEOs' proposals often generate head nodding, even from people who secretly harbor serious reservations. In reality, most chief executives desperately want dissenting opinions so they can make better choices. While emerging leaders must use good judgment regarding the tone and timing of their dissent, they also need to be aware that they can hit a plateau by playing it safe when they should be asserting their heartfelt opinions.

One CEO recounted to me his regrets over a recent key hire. His top three reports had each interviewed the various job candidates and expressed no major concerns about the final choice. After the new hire was on board—and had begun to struggle—it came to light that two of the three senior managers had privately held significant reservations but concluded that the CEO's mind was made up and that speaking out was unwise. The CEO was furious. Though he recognized his own role in the mess (he vowed to more actively encourage dissent), he also lowered his opinion of the two executives who failed to express their views.

Otherwise confident executives sometimes overestimate the career risk of speaking up and meaningfully underestimate the risk of staying silent. I encourage people to develop various approaches to help them overcome this hesitancy. For example, I've counseled emerging executives to save their money to build financial security and to avoid getting too emotionally attached to their jobs. Though it may seem that you'll never find another great job, you have to have faith that there are many attractive opportunities outside your firm.

In some cases, I advise people to become experts in some specific business area in order to build their confidence. I also encourage people to spend more time deciding what they truly believe versus trying to guess what the boss might want to hear. At work, as in competitive sports, you must play with confidence and even a little abandon. I've talked to several executives whose finest moments came when they gathered their courage and confidently expressed disagreement with their boss and peers. To their surprise, they found that they were treated with more respect after these episodes.

Most outstanding CEOs value emerging executives who assert themselves out of genuine concern for what is best for the company. Doing the right thing is a reward in itself—psychologically in

I have seen many people stall their careers by playing it safe.

CAREER COUNSEL

FOLLOW YOUR OWN PATH

Reaching your potential requires introspection and certain proactive behaviors—but it starts with a basic philosophy, or "rules of the road."

1. Managing your career is 100% your responsibility, and you need to act accordingly. Many promising professionals expect their superiors to mentor them, give them thoughtful coaching, provide them with challenging opportunities, and generally steer their development. Such a passive approach is likely to derail you at some point. While your superiors will play a role, your career is your own.

2. Be wary of conventional wisdom. It's almost always wrong—for you. Hopping on the bandwagon may feel good initially but often leads to painful regrets years later. To reach your potential, you must filter out peer pressure and popular opinion; assess your own passions, skills, and convictions; and then be courageous enough to act on them.

3. Have faith that, although justice may not prevail at any given point in time, it should generally prevail over time. When you do suffer an injustice, you need to be willing to step back and objectively assess your own role in these events. That mind-set will help you learn from inevitable setbacks and eventually bounce back. It will also help you stay focused on issues you can control as well as bolster your determination to act like the ultimate decision maker.

the short run and professionally in the longer run. Of course, this approach requires that you have some reasonable level of faith that justice will prevail. I have seldom seen people hurt their careers by speaking up and appropriately articulating a well-thought-out contrary position (even when it was unpopular). However, I have seen many bitter and confused people who stalled their careers by playing it safe.

EVERY REWARDING CAREER will bring ups and downs, bad days, bad weeks, and bad months. Everyone will face setbacks and discouraging situations. Some people abandon their plans when they hit one of these bumps. They lose their way and ultimately undermine their own performance—and the wound is all the more painful because it is self-inflicted. The advice in this article is intended to help you avoid such self-inflicted wounds. There's nothing anyone can do to prevent you from reaching your potential; the challenge is for you to identify your dream, develop the skills to get there, and exhibit character and leadership. Then, you need to have the courage to periodically reassess, make adjustments, and pursue a course that reflects who you truly are.

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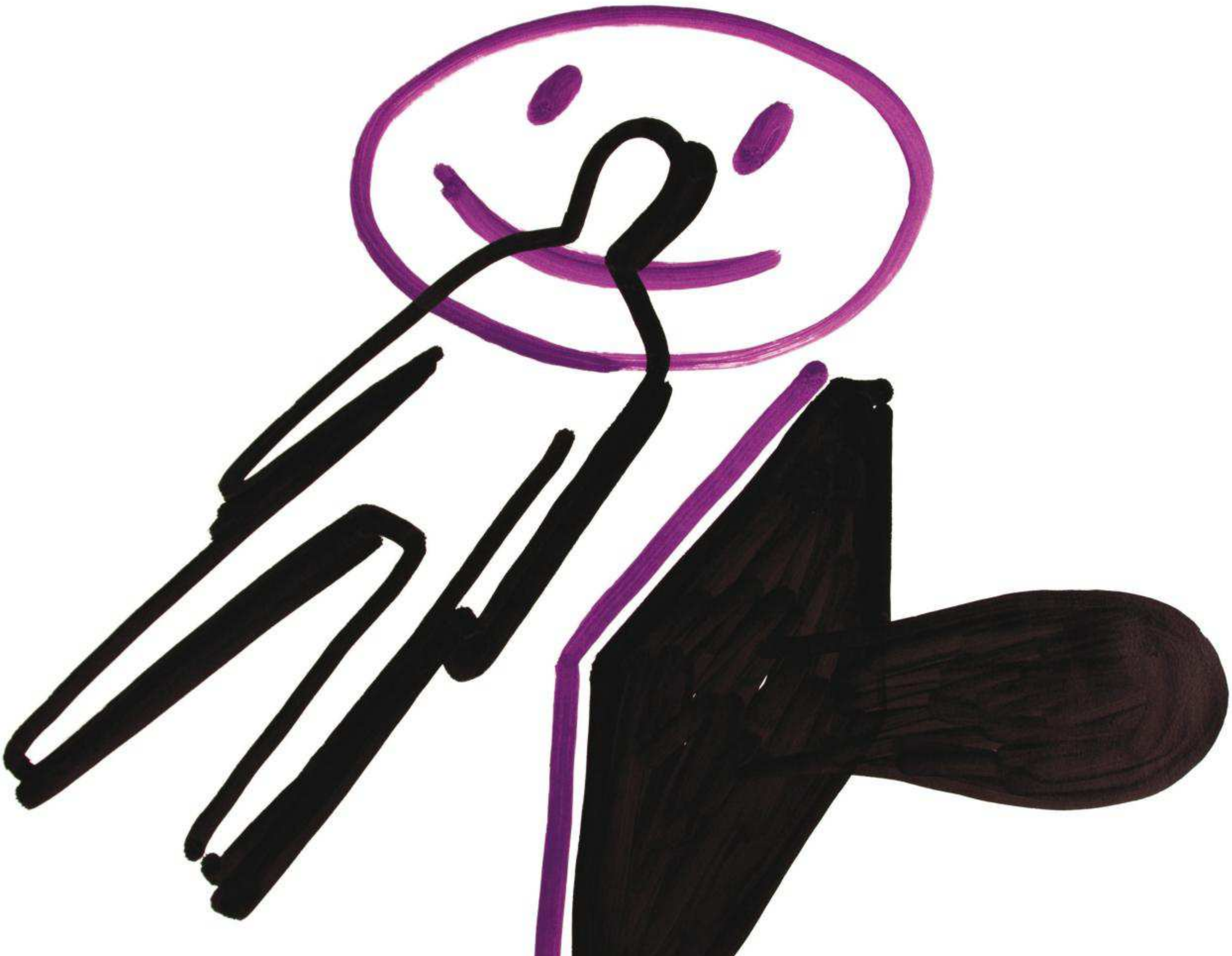
Robert Steven Kaplan is the president and CEO of the Federal Reserve Bank of Dallas. He is also the former Martin Marshall Professor of Management Practice and a former senior associate dean at Harvard Business School. His most recent book is *What You Really Need to Lead: The Power of Thinking and Acting Like an Owner* (Harvard Business Review Press, 2015).



Leadership Run Amok
The Destructive Potential of Overachievers

If you believe too many executives think, "It's all about me," you're right: Research shows that an ethos celebrating individual achievement has been shoving aside other motivations, such as the drive to empower people, that are essential for successful leadership.

by Scott W. Spreier, Mary H. Fontaine, and Ruth L. Malloy

THE DESIRE TO achieve is a major source of strength in business, both for individual managers and for the organizations they lead. It generates passion and energy, which fuel growth and help companies sustain performance over the long term. And the achievement drive is on the rise. We've spent 35 years assessing executive motivation, and we've seen a steady increase during the past decade in the number of managers for whom achievement is the primary motive. Businesses have benefited from this trend: Productivity has risen, and innovation, as measured by the number of patents issued per year, has soared.

In the short term, through sheer drive and determination, overachieving leaders may be very successful, but there's a dark side to the achievement motive. By relentlessly focusing on tasks and goals—revenue or sales targets, say—an executive or company can, over time, damage performance. Overachievers tend to command and coerce, rather than coach and collaborate, thus stifling subordinates. They take frequent shortcuts and forget to communicate crucial information, and they may be oblivious to the concerns of others. Their teams' performance begins to suffer, and they risk missing the very goals that initially triggered the achievement-oriented behavior.

Too intense a focus on achievement can demolish trust and undermine morale, measurably reducing workplace productivity and eroding confidence in management, both inside and outside the corporation. While profits and innovation have risen during the past decade, public trust in big business has slid. In our executive coaching practice, we've seen very talented leaders crash and burn as they put ever more pressure on their employees and themselves to produce.

At the extreme are leaders like Enron's Jeffrey Skilling, a classic overachiever by most accounts, driven by results regardless of how they were achieved. He pitted manager against manager and once even praised an executive who went behind his back to create a service he had forbidden her to develop. For every Skilling, there are dozens of overachieving managers who don't make headlines but do cause significant harm.

Originally published in June 2006

Consider Frank, a confident, results-oriented CEO of a large electronics manufacturer. He was so single-minded in his drive to achieve that he ran roughshod over the rest of the management team. He was arrogant, aloof, and demanding, and he never listened. In fewer than four years, with the company in disarray and members of his senior leadership team threatening to leave, he was fired.

Even if a narrow focus on achievement doesn't get an executive fired, it can stall a career. Jan, a brilliant lawyer, was a partner and the heir apparent in a large New York law firm. But she could be mean-spirited. She didn't tolerate colleagues who seemed less driven than she was, she treated subordinates in a demeaning manner, and she chewed up junior associates at a record pace. Opinions about her began to sour in the firm, and ultimately she was shuffled off to a small satellite office to work—usually alone—on special cases. Although she continued to woo clients and win cases, she never rose any further.

On the surface, controlling achievement overdrive sounds like Management 101: Be less coercive and more collaborative. Influence rather than direct. Focus more on people and less on numbers and results. Easy to say, difficult to master. Experienced, successful executives who should know better fall into overachievement mode again and again. In this article, we'll offer ways for managers to identify achievement overdrive in themselves and others and keep the destructive aspects in check. But first, let's look at the achievement motive and see how it affects the workplace.

The Growing Drive to Achieve

The drive to achieve is tough to resist. Most people in Western cultures are taught from early childhood to value achievement. For some people, the drive seems innate: They don't just *know* achievement is important, they *feel* it. Accomplishment is a natural high for them. Just ask admitted overachiever Karin Mayhew, who is senior vice president of organization effectiveness for Health Net, a large managed-care company. "I start to feel really good," she says of those moments when her achievement drive kicks into high gear and she feels a mounting sense of accomplishment. At such times, she says, she is excited and happy.

David McClelland, the late Harvard psychologist, spent much of his career studying motivation and how it affects leadership behavior. He identified achievement—meeting or exceeding a standard of excellence or improving personal performance—as one of three internal drivers (he called them "social motives") that explain how we behave. The other two are affiliation—maintaining close personal relationships—and power, which involves being strong and influencing or having an impact on others. He said the power motive comes in two forms: personalized—the leader draws strength from controlling others and making them feel weak; and socialized—the leader's strength comes from empowering people. Studies show that great charismatic leaders are highly motivated by socialized power; personalized power is often associated with the exploitation of subordinates. (See the exhibit "What's Your Motivation?")

McClelland's research showed that all three motives are present to some extent in everyone. Although we are not usually conscious of them, they give rise in us to needs and concerns that lead to certain behaviors. Meeting those needs gives us a sense of satisfaction and energizes us, so we keep repeating the behaviors, whether or not they result in the outcomes we desire.

McClelland initially believed that of the three motives, achievement was the most critical to organizational, even national, success. In *The Achieving Society,* his seminal study on the subject, first published in 1961, he reported that a high concern with achievement within a country was followed by rapid national growth, while a drop led to a decline in economic welfare. In another

We've seen very talented leaders crash and burn as they put ever more pressure on their employees and themselves to produce.

> **Executives who are overly motivated to achieve can weaken a company's or group's working climate and...its ability to perform well.**

study, he reported a direct correlation between the number of patents generated in a country and the level of achievement as a motivation.

But McClelland also recognized the downside of achievement: the tendencies to cheat and cut corners and to leave people out of the loop. Some high achievers "are so fixated on finding a shortcut to the goal," he noted, "that they may not be too particular about the means they use to reach it." In later work, he argued that the most effective leaders were primarily motivated by socialized power: They channeled their efforts into helping others be successful.

We have continued McClelland's research and assessment of managers' and executives' motives (we have amassed data on more than 40,000 people). We show people a series of pictures and ask them to write a story about each. Experts score the stories for imagery that indicates the presence and strength of one or more of the motives. Beginning in the mid-1990s, achievement scores began rising dramatically, while the power drive declined and affiliation stayed more or less steady. (See the exhibit "Achievement Is on the Rise.")

We can't say definitively what triggered the increase in achievement scores, but we believe it was driven by the organizational, market, and economic forces that were in play. The quality movement of the 1980s, for example, with its emphasis on continuous improvement, no doubt enhanced the value of high achievers, who by nature want to continually improve. Then came recession and downsizing, which brought an increased emphasis on short-term performance and growth. Again, both goals were a perfect fit for high achievers, who revel in the need for personal heroics and the challenge of an ever-rising performance bar. Finally, the dot-com era transformed a large number of innovators and entrepreneurs—who tend to be highly motivated by achievement—into managers and executives.

Whatever the cause, the rise in scores coincided with increases in several of McClelland's other indicators of high achievement—in particular, economic growth, innovation, cheating, and cutting corners. Organizational performance and innovation improved, as can be seen in the advance of the stock market and the number of U.S. patents. But there was also a lapse in business ethics, and, as a result, more high-profile scandals and reduced public trust in big corporations. (See the exhibit "So Is Creativity, But....")

The Six Styles of Leadership

Despite the advantages of an achievement mentality, executives who are overly motivated to achieve can weaken a company's or group's working climate and in turn its ability to perform well. That's because a leader's motives affect the way he or she leads. In our research over the years, we've identified six styles of leadership that managers and executives use to motivate, reward, direct, and develop others. These are *directive,* which entails strong, sometimes coercive behavior; *visionary,* which focuses on clarity and communication; *affiliative,* which emphasizes harmony and relationships; *participative,* which is collaborative and democratic; *pacesetting,* which is characterized by personal heroics; and *coaching,* which focuses on long-term development and mentoring. (See the sidebar "The Right Leadership Style...Creates a Strong Work Climate.")

There is no one best style of leadership. Each has its strengths and its limits. The directive approach, for instance, is useful in crises or when a leader must manage a poor performer, but overuse stifles initiative and innovation. The affiliative approach is appropriate in certain high-stress situations or when employees are beset by personal crises, but it is most effective when used in conjunction with the visionary, participative, or coaching styles. Pacesetting can get results in the short term, but it's demoralizing to employees and exhausting for everyone over the long haul.

Idea in Brief

THE CHALLENGE

A leader's hunger to achieve—to continually be the best—is a major source of strength for any organization.

But taken to an extreme, the drive to achieve can damage an enterprise. To meet ambitious goals overachievers command and coerce employees rather than coach and collaborate with them.

THE SOLUTION

Result? Overachievers stifle others' drive and development—ultimately eroding organizational performance.

How to guard against achievement overdrive? Recognize that the *best* leaders strive to help *others* succeed. Discern whether your achievement drive is undermining your leadership style. For instance, are you always providing answers rather than inviting others' input? Do others see you as arrogant and impatient? If so, channel your achievement drive into **altruistic achievement:** replace coercion with collaboration, balance direction with influence, and focus less on results and more on people.

THE PAYOFF

Though difficult to master, altruistic achievement pays big dividends. After one pharmaceutical executive at AstraZeneca tamed his overbearing achievement drive, his previously frustrated team won recognition for being the first to attain market leadership with three top-selling drugs.

WHAT'S YOUR MOTIVATION?

A small set of motives, present to some extent in all people, helps explain how leaders behave. The motives generate needs, which lead to aspirations, which in turn drive behavior.

	ACHIEVEMENT	AFFILIATION	POWER: PERSONALIZED POWER	POWER: SOCIALIZED POWER
When this motive is aroused in them, leaders experience a need to:	Improve their personal performance and meet or exceed standards of excellence	Maintain close, friendly relationships	Be strong and influence others, making them feel weak	Help people feel stronger and more capable
As a result, they wish to:	Meet or surpass a self-imposed standard Accomplish something new Plan the long-term advancement of their careers	Establish, restore, or maintain warm relationships Be liked and accepted Participate in group activities, primarily for social reasons	Perform powerful actions Control, influence, or persuade people Impress people inside or outside the company Generate strong positive or negative emotions in others Maintain their reputations, positions, or strength	Perform powerful actions Persuade people Impress people inside or outside the company Generate strong positive emotions in others Maintain their reputations, positions, or strength Give help, advice, or support
These aspirations lead them to:	Micromanage Try to do things or set the pace themselves Express impatience with poor performers Give little positive feedback Give few directions or instructions Cut corners Focus on goals and outcomes rather than people	Avoid confrontation Worry more about people than performance Look for ways to create harmony Avoid giving negative feedback	Be coercive and ruthless Control or manipulate others Manage up—that is, focus more on making a good impression than on managing their subordinates Look out for their own interests and reputations	Coach and teach Be democratic and involve others Be highly supportive Focus on the team or group rather than themselves Work through others; they enable others to do the work rather than doing it themselves

The most effective leaders are adept at all six leadership styles and use each when appropriate. Typically, however, a manager defaults to the styles he or she is most comfortable using, a preference that reflects the person's dominant motive combined with the level of pressure in the workplace. People motivated mainly by achievement tend to favor pacesetting in low-pressure situations but to become directive when the pressure is on.

Jan, the achievement-driven lawyer, tried to involve herself in every detail of her client work. She was never satisfied with others on her team and continually second-guessed them. She rewrote perfectly good reports, claiming they didn't quite meet her standards. As the pressure and work mounted, she became even more demanding and controlling, confronting others and accusing them of incompetence.

It's not surprising that such pacesetting and coercion have been shown to suppress work-climate attributes that contribute to high performance, including flexibility, responsibility, team commitment, and the extent to which feedback and rewards are linked to performance. People high in socialized power, by contrast, naturally gravitate to coaching in low-stress situations and become visionary under pressure. Consider Luke, a senior executive we worked with who is known for his mentoring. When Luke learned that a subordinate who disagreed with him about a critical business decision had done an end run and was planning to speak to the chairman, Luke didn't react angrily, as most people would. Instead, he offered to coach the subordinate on how to effectively approach his meeting with the chairman. He was able to put aside the personal aspect of the situation and consider the big picture. As Luke told us: "I didn't want him to hurt himself any more than he had already. I wanted him to learn, to benefit, to grow. I don't know—maybe he can have my job some day."

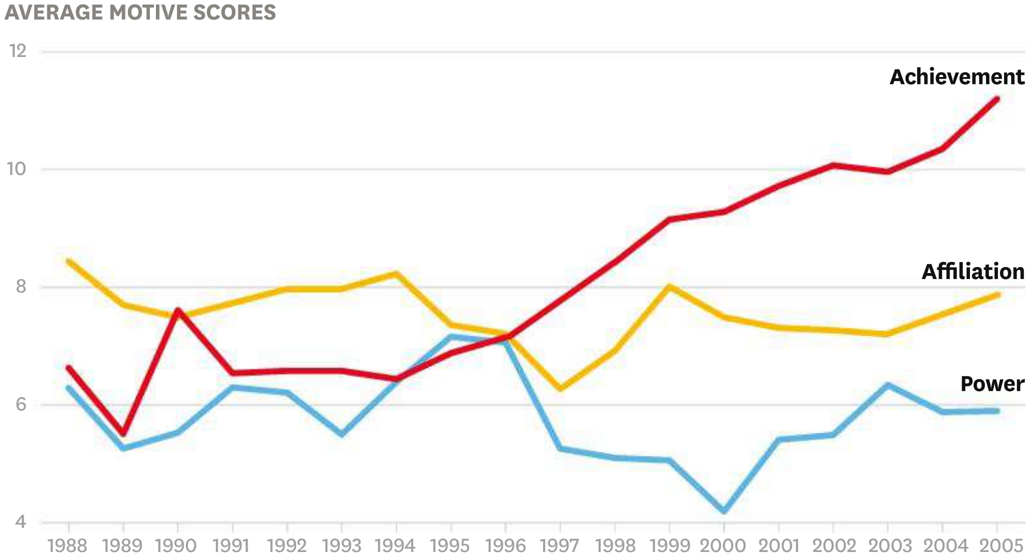
To look at how motives and leadership style affect a group's climate and performance, we studied 21 senior managers at IBM. All led teams responsible for large global accounts with multimillion-dollar revenue targets. We assessed each manager using a set of six attributes of a high-performing climate, such as flexibility and clarity. Eleven of the managers created climates that were seen by their direct reports as strong or energizing. The other managers created climates that were perceived by their reports as neutral or demotivating. In just one year, the teams with strong or energizing climates generated $711 million more in profit than did those with neutral or poor climates. Achievement was the dominant driver for all 21 of these leaders. But the managers who created strong or energizing climates also had far higher scores in both power and affiliation than the other leaders. (See the exhibit "Profiles of Successful Leaders.")

Among the leaders who created neutral or demotivating climates, the dominant style was pacesetting, which can drive short-term growth, but at the expense of long-term profitability. In fact, the teams with weaker climates did produce more short-term revenue growth than the others. But most of it came about through personal heroics—leaders going out and doing deals themselves rather than building their organizations. The leaders who created high-performing and energizing climates got more lasting results by using a broad range of styles, choosing different styles for different circumstances. They were strong in the visionary, affiliative, participative, and coaching styles, relying least on the directive and pacesetting approaches. Rather than order people around or rely on personal heroics, they provided vision, sought buy-in and commitment, and coached their

The good news about achievers is that when given a goal, they pull out all the stops—even if the goal is to manage their achievement drive.

Achievement Is on the Rise

We've seen a steady increase in the degree to which achievement is a motive for managers and executives, while power as a motivation has dropped. The affiliation motive has remained fairly level.



people. They were also more collaborative, building consensus among those they led.

Recognizing Your Motives

The good news about achievers is that when given a goal, they pull out all the stops to reach it—even if the goal is to manage their achievement drive. For an overachiever seeking to broaden his or her range, the first step is to become aware of how motives influence leadership style.

Karin Mayhew, the Health Net executive, is a pacesetting manager by nature. She didn't understand the value of influencing others (rather than doing everything herself) until, as an internal consultant for a telecommunications firm, she was asked to facilitate discussions between management and labor. For once, she had to be invisible. Forced to bite her tongue, she perceived that she could step out of the role of content expert and help other people understand the big picture and see how the pieces might fit together.

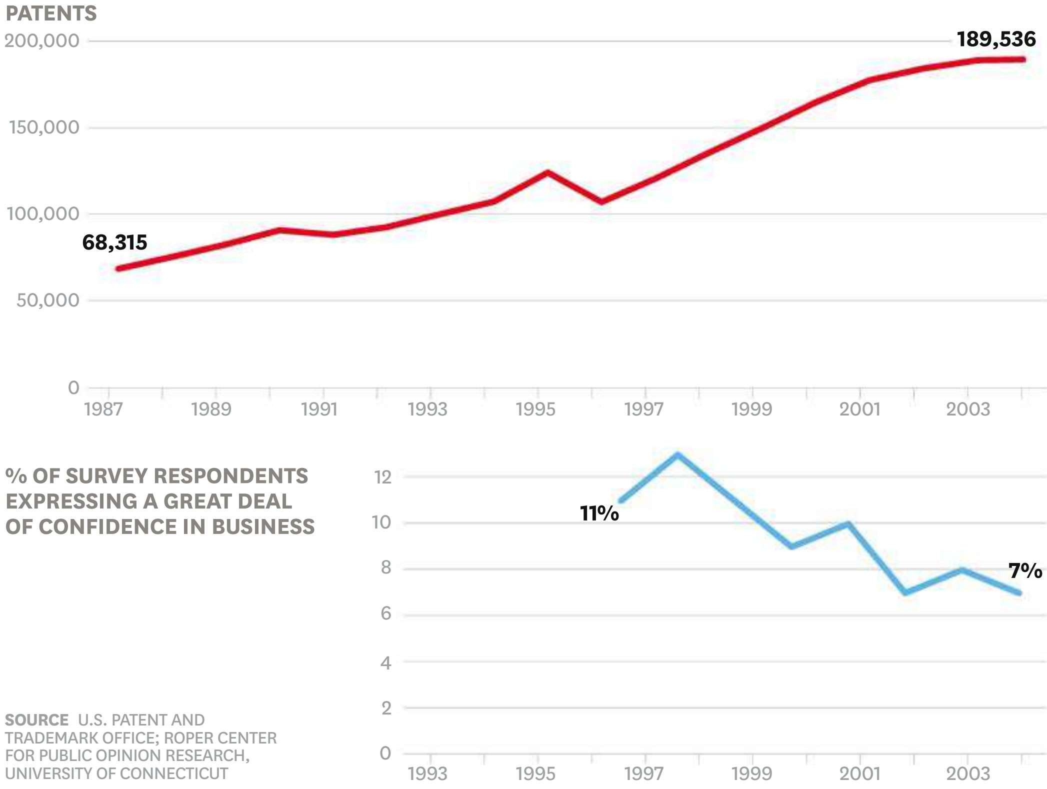
Often, it takes a nudge from someone to get the transformation moving. Consider Rooney Anand, CEO of Greene King, one of the UK's most successful brewing and pub companies. As a young marketing manager in an organization that put a premium on results, Anand found himself becoming increasingly aggressive and demanding. He saw the need to change when a fellow manager said to him, "I've met your type before. Normally they're not very nice people. But you're actually a great bloke when you're not working. So what is your problem?" Family and friends may also let you know; our motives, after all, don't shut down when we leave work.

If you're seeking to assess yourself as a manager, there are calibrated tools for measuring the three leadership motives, but you can get a good sense of which drive is dominant in you simply by examining the activities you like and why.

- People with high achievement drives tend to like challenging projects that allow them to accomplish something new. It may be as simple

So Is Creativity, but…

As the achievement drive has risen among managers and executives, so has the level of innovation, as measured by the number of U.S. patents issued. But at the same time, public trust in big corporations has sunk as the relentless focus on results has led to unsavory behavior on the part of some executives.



SOURCE U.S. PATENT AND TRADEMARK OFFICE; ROPER CENTER FOR PUBLIC OPINION RESEARCH, UNIVERSITY OF CONNECTICUT

as stamp collecting or as difficult as getting a PhD in history. One executive we're working with is spending all of his spare time training for a spot on a Senior Olympics swim team. They also like to outperform people who represent a high standard of excellence. Achievers tend to be utilitarian in their communication—often brief and to the point.

- Those high in affiliation are energized by personal relationships. They like to spend time with family and friends and are attracted to group activities, largely for the opportunities to build relationships. They make heavy use of the phone and e-mail just to stay connected.

- People mainly motivated by personalized power need to feel strong and to be seen as important. They tend to be driven by status and image. They often seek status symbols (the right car, neighborhood, clothes) and engage in prestigious activities (dining at the right club with the right circle of friends).

- Individuals mainly driven by socialized power enjoy making a positive impact. They get satisfaction from helping people feel stronger and more capable; they're often energized by team activities. They like to advise and assist, whether or not the advice is wanted or needed. Such people are often attracted to teaching or politics and tend to be charismatic leaders.

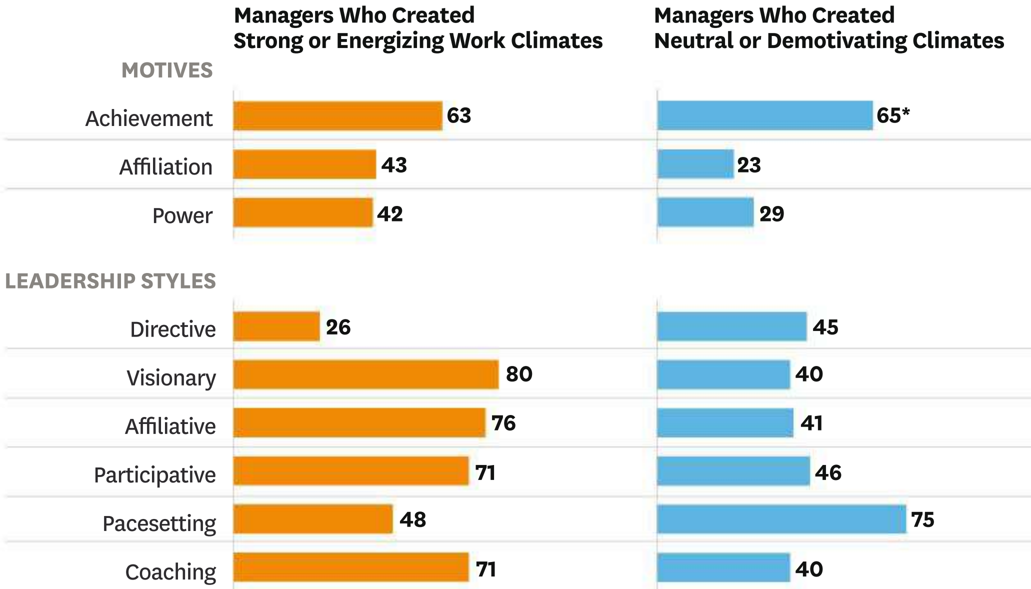
Managing and Exercising Your Motives

Even trickier and more important than recognizing an overactive drive to achieve is figuring out how to channel that drive into new behaviors and continually practice them until they become almost second nature. Dean McAlister, a senior pharmaceuticals sales director with AstraZeneca, found himself promoted to a management position early in his career. Like Greene King's Anand, he was talented, sincere, and hardworking, and at times he drove people crazy. While he took pride in his high-achievement approach, others saw him as arrogant, impatient, and manipulative. "Dean was known for his 3 AM e-mails," said one colleague. "That was his normal pace—everything was a priority." Said another: "He outlined a problem, and before we could discuss it, he solved it himself."

McAlister's solutions were often well founded. He stayed ahead of the industry's information curve, regularly rising before dawn to study the latest market trends. But by always providing the answers, he stifled the input and creativity of his team members. He didn't realize this until his manager told him. In classic achievement mode, McAlister instantly turned his energy toward transforming his leadership. With the help of a coach, he began studying his own actions, trying

Profiles of Successful Leaders

When we studied 21 senior managers at IBM, we found that 11 of them created strong or energizing work climates. These leaders were driven primarily by the desire to achieve, but they were also driven more by the need for affiliation and power than the other executives, who created neutral or demotivating climates. Moreover, the 11 managers employed at least four of the six leadership styles described in this article, using each when appropriate for the circumstances. IBM has incorporated these leaders' behaviors into a new competency model.



NOTE *FOR EXAMPLE, ON THE ACHIEVEMENT MOTIVE, 65% OF MANAGERS IN OUR GLOBAL DATABASE SCORED AT OR BELOW THE AVERAGE FOR THIS GROUP OF IBM MANAGERS.

THE RIGHT LEADERSHIP STYLE... CREATES A STRONG WORK CLIMATE

Each of the six leadership styles we've identified is appropriate to certain situations and settings; none is appropriate to all. The most effective leaders know how to use the right style for the circumstances.

Directive. This style entails command-and-control behavior that at times becomes coercive. When executives use this approach, they tell people what to do, when to do it, and what will happen if they fail. It is appropriate in crises and when poor performers must be managed, but it eventually stifles creativity and initiative. It is favored by high achievers under stress.

Visionary. This style is authoritative, but rather than simply telling people what to do, the leader gains employees' support by clearly expressing their challenges and responsibilities in the context of the organization's overall direction and strategy. This makes goals clear, increases employee commitment, and energizes a team. It is commonly used by people with a high personalized-power drive under low-stress situations and people with a high socialized-power drive when stress is high.

Affiliative. Leaders with this style emphasize the employee and his or her emotional needs over the job. They tend to avoid conflict. The approach is effective when a manager is dealing with employees who are in the midst of personal crises or in high-stress situations such as layoffs. It is most effective when used in combination with visionary, participative, or coaching styles. It is seldom effective alone.

Participative. This style of leadership is collaborative and democratic. Executives using this style engage others in the decision-making process. It's great for building trust and consensus, especially when the team consists of highly competent individuals and when the leader has limited knowledge or lacks formal power and authority, such as within highly matrixed organizations. It is favored under high-stress conditions by leaders with high affiliation drives.

Pacesetting. This style involves leading by example and personal heroics. Executives using this style typically have high standards and make sure those standards are met, even if they have to do the work themselves—which they frequently do. It can be effective in the short term, but it can demoralize employees over the long haul. It is a typical go-to style for high achievers, at least under relatively low-stress conditions.

Coaching. This style involves the executive in long-term professional development and mentoring of employees. It's a powerful but underused approach that should be part of any leader's regular repertoire. Leaders who score high on the socialized-power motive prefer it under low-stress conditions.

We've also identified six factors that contribute to performance by affecting the workplace climate—how it feels to work in a particular area for a particular manager. A leader's behavior heavily influences the degree to which each of these factors is present and is a positive influence.

Flexibility reflects employees' perceptions about whether rules and procedures are really needed or are merely red tape. It also reflects the extent to which people believe they can get new ideas accepted. In high-performance climates, flexibility is high.

Responsibility means the degree to which people feel free to work without asking their managers for guidance at every turn. In high-performing climates, people feel they have a lot of responsibility. When high achievers overuse the directive and pacesetting styles, as they often do, they limit or destroy flexibility and responsibility within a group.

Standards represents the degree to which people perceive that the company emphasizes excellence—that the bar is set at a high but attainable mark, and managers hold people accountable for doing their best. When standards are strong, employees are confident they can meet the company's challenges.

Rewards is a reflection of whether people feel they are given regular, objective feedback and are rewarded accordingly. While compensation and formal recognition are important, the main component is feedback that is immediate, specific, and directly linked to performance.

Clarity refers to whether people know what is expected of them and understand how their efforts relate to organizational goals. In study after study, this dimension of climate has been shown to have the strongest link to productivity. Without clarity, the other elements of climate often suffer. Leaders who create high clarity often rely heavily on the visionary, participative, and coaching styles.

Team commitment is the extent to which people are proud to belong to a team or organization and believe that everyone is working toward the same objectives. The more widely shared the team's values are, and the greater its commitment to performance, the higher the team's pride.

A climate with high levels of standards, clarity, and team commitment and at most one gap in the other dimensions is very strong. A climate with no significant gaps in standards, clarity, or team commitment and two gaps in the other factors is still energizing to employees. Any more gaps, and the climate is neutral or demotivating. In such an environment, people tend to do only the minimum required, and performance suffers.

Further Reading

ARTICLES

The Talent Curse

by Jennifer Petriglieri and Gianpiero Petriglieri

HBR, May–June 2017
Product no. R1703E

As high potentials strive to conform to company ideals for leadership, they often bury the qualities that made them special—a "talent curse" that can hinder personal growth, performance, and engagement. The authors describe three signs of trouble to watch for, along with steps to break the curse.

Narcissistic Leaders: The Incredible Pros, the Inevitable Cons

by Michael Maccoby

HBR, January 2004
Product no. 5904

In this HBR best seller, first published in 2000, Maccoby introduces a type of leader—"narcissistic"—who demonstrates a particularly high need for achievement *and* who wreaks extensive damage on his or her organization. The article offers strategies for those who must work with narcissistic leaders, as well as ways that *productive* narcissistic leaders can manage themselves.

to determine why he behaved as he did. He also monitored his behavior with his team, peers, and manager, asking them to give honest feedback. Much of what he learned was unexpected and, initially, difficult to swallow. At one point, he was describing his daily routine. A deeply spiritual man, McAlister spoke of taking time each day for prayer. When he was asked how much time he spent talking to God and how much time listening, he realized that even in his spiritual life he was focused on his own agenda. "Of course," he groaned, "I'm always talking."

Next, he adopted specific new behaviors. Rather than issue a set of directives on sales targets, for instance, he engaged his team in a discussion of how to achieve the goals. He consciously tried to listen and not jump to conclusions—a continuing struggle, though the behavior is becoming more natural with time and practice. He still slides into pacesetting from time to time. When a sales rep e-mailed him about closing on an important new contract, an excited McAlister fired back with a list of the next steps she should immediately take. It was only after he'd hit the "send" key that he realized his error. "I'd just laid out the plan instead of coaching her," he said. The new McAlister took steps to set things right: He quickly sent a second message, congratulating her and telling her to come up with her own plan. It's a testament to his shift in behavior that his team recently was honored for being the first region to attain market leadership with three of AstraZeneca's top drugs.

Like McAlister, Anand also still works to be aware of his achievement drive and to consciously change his behavior when it starts to overtake him. For example, he had a habit of challenging people during meetings. "My passion and desire to sort problems out, to rectify things, still kicks in," he says. "As a result of my behavior, the team becomes cranky or shuts down. It's taken me quite a long time to learn." So now he'll often refrain from saying what's on his mind, but he'll make a note to take up the matter after the meeting. With time and effort, he says, episodes of achievement overdrive have become less and less frequent for him.

Karin Mayhew has consciously chosen to limit her comments on an idea to a couple of minutes or less and tries to put them in the context of the organization and business. She has also trained herself to ask a lot of open-ended questions ("How can I help?") in an effort to draw people into the conversation. "I've learned to find my 'pause' button and drive the agenda by asking questions and having others take the lead," she says.

Another trick is to look to other areas of your life to satisfy your achievement drive. One executive, recognizing that his need to succeed was getting in the way of his effectiveness at work, refocused his drive on building violins at home on the weekends. Of course, he didn't just turn out run-of-the-mill instruments; his were exquisite pieces of art, one of which was played by a friend in the Boston Symphony. Another executive turned to restoring antique sports cars.

Mayhew now channels her achievement drive toward her home and family. She regularly prepares elaborate, multicourse Sunday night dinners. Although these events are a great deal of work, she finds the dinners exhilarating and energizing, and the effort gives her a sense of satisfaction in what she's achieved, a tonic for the coming workweek.

Changing the Culture

While behavior is the responsibility of the individual, organizations play a role, if sometimes unintentionally, in influencing executives'

After IBM's metamorphosis, the coaching style of leadership had increased by 17%, while the pacesetting style, with its focus on heroics, had decreased by 5%.

actions. Some companies unabashedly create cultures that foster and reward the achievement-at-all-costs mentality. Most organizations are less calculating; they simply select and promote high achievers for their obvious assets, let nature take its course, and then look the other way as long as the numbers are good.

But companies can redirect their focus and still achieve good numbers. In the early 1990s, when CEO Lou Gerstner set out to regain IBM's market dominance by transforming the company into a flatter, matrix-driven organization, he sought managers who would orchestrate and enable rather than command and control. He knew IBM needed to move away from its culture of personal heroics and individual achievement and begin valuing socialized power and managers who pay attention to the greater needs of the company.

As part of that transformation, we assessed the motives and leadership styles of 2,000 IBM managers, including the top 300 leaders. We found an achievement-oriented culture in which executives focused on their own departments or divisions, even if doing so had a negative impact on performance in other parts of the organization. Their client focus, too, was achievement driven: Managers often found themselves devoting more time and energy to making the sale than understanding the customer's needs. The dominant leadership style, which reflected this emphasis on individual achievement, was pacesetting, and the climate lacked a number of the attributes that contribute to high performance, especially in the areas of flexibility, rewards, clarity, and, most notably, team commitment.

Among the executives we interviewed, however, was a small but highly successful group that led very differently. They exhibited a drive to achieve, but they worked through others, created strong teams, provided coaching, and focused on increasing the capability of the whole organization, not just their departments. IBM incorporated these behaviors into a competency model that over the next eight years was used to select, develop, and promote leaders. The company also created a group to develop and coach managers and executives in the desired new behaviors. More important, Gerstner and his team used everything from public praise to stock options to reward the new behaviors.

Two years ago, when we returned to assist IBM in recalibrating the competency model, we found a very different leadership culture. Gone was the combative, turf protecting, isolationist attitude. In its place was an emerging culture of collaboration and team leadership—a culture that balanced influencing and helping others with the drive to achieve. Although the motives of the leaders had not changed (the executives were still very high achievers), their behavior had. The coaching style, measured through surveys of their direct reports, had increased by 17%, while pacesetting had decreased by 5%.

Of course, a high achievement drive is still a source of strength. But companies must learn when to draw on it and when to rein it in. The challenge for managers today, then, is to return some of the balance McClelland advised, seeking an approach to leadership that uses socialized power to keep achievement in check.

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Can You Handle Failure?

Inappropriate responses to failure can derail your career. Figure out what "type" you are and use these strategies to change your bad habits.

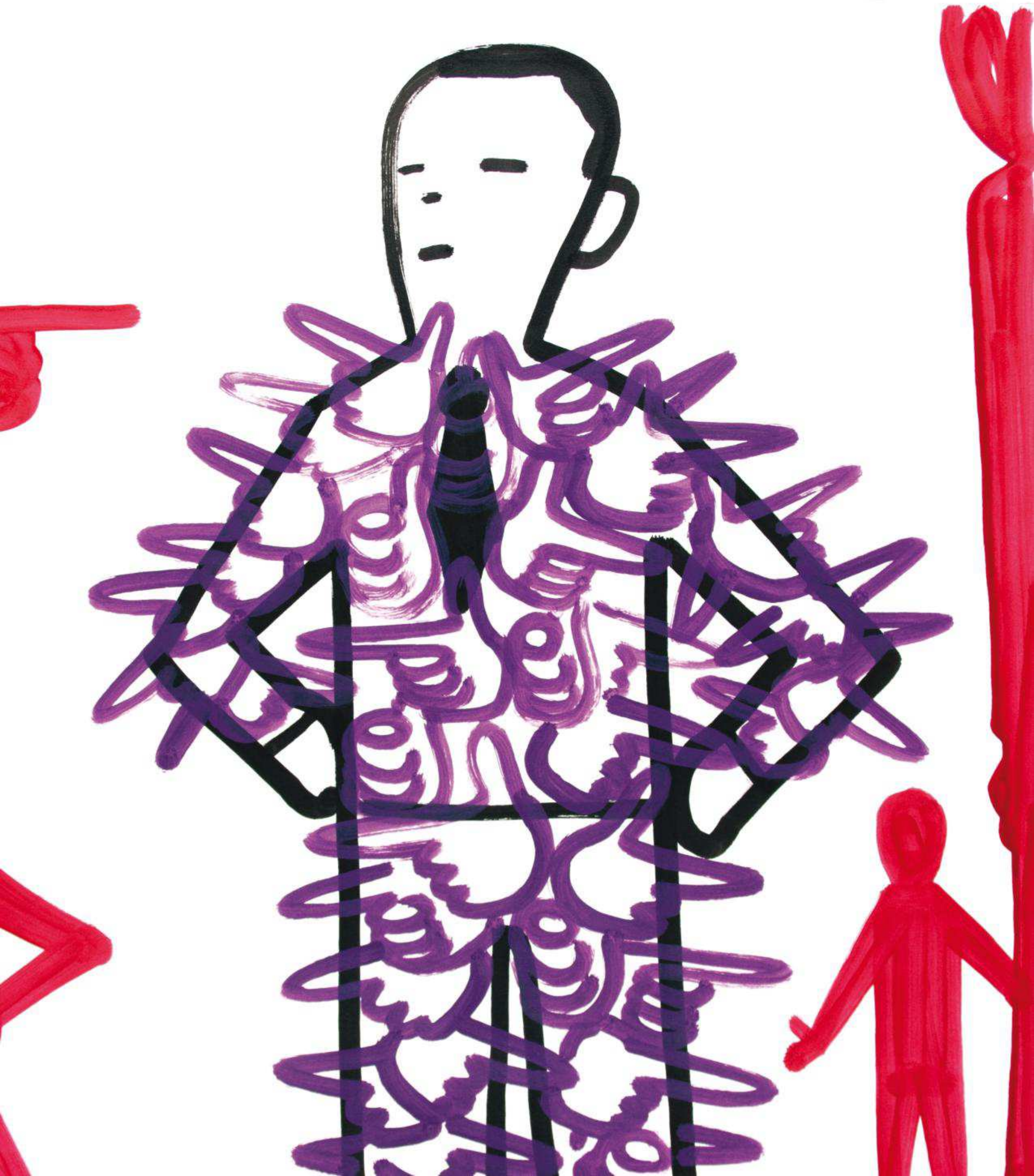
by Ben Dattner and Robert Hogan

IN HIS BRILLIANT 1950 film, *Rashomon*, the Japanese director Akira Kurosawa depicts the story of a rape and murder four times, from the perspectives of four characters. The message is clear: Different people can see the same events in dramatically different ways.

In the workplace this phenomenon is particularly evident when it comes to underperformance and failure. An outcome that an employee regards as satisfactory may be seen by his boss as entirely unacceptable. When a project is an unequivocal flop, colleagues disagree over the reasons why. These reactions, and their effect on workplace relationships, often become more problematic than the original event. As a result, how people respond to negative feedback is of great importance to managers and organizations and is a major determinant of career success.

Originally published in April 2011

ILLUSTRATION BY DAVE WHEELER



When a failure has occurred, don't respond impulsively. It's not always possible to right the wrong, but it's almost always possible to make things worse.

Consider the case of a pharmaceutical company seeking FDA approval for a new use of an existing drug. (Some details have been changed to protect client confidentiality.) Wendy, a talented researcher, was put in charge of the large-scale data analysis required to file an application. She considered several approaches and recommended the one she thought best balanced the need for accuracy and comprehensiveness with the imperative to complete the work quickly and on budget. Her boss, George—the company's head statistician—agreed with the plan, and together they presented it to the vice president of medical affairs, Don. Although Don would have liked a more thorough approach, he recognized that it would be more expensive, and he signed off on the recommendation.

After months of work the analysis failed to demonstrate the efficacy of the drug for the new use, and the application to the FDA had to be scrapped. Reactions varied. Don blamed the statistics department, and especially George, for recommending the approach it had taken. George did not think that he and his team were at fault, and he was angry with Don for allowing financial pressures to influence their choice in the first place. The two men struggled to work together. Wendy, meanwhile, felt she had personally fallen short and began having trouble focusing on her other assignments.

How could three people have such different views of the same situation?

A Matter of Type

Personality psychology provides a research-based behavioral science framework for identifying and analyzing how people respond to failure and assign blame. Using data on several hundred thousand managers from every industry sector, we have identified 11 personality types likely to have dysfunctional reactions to failure. For example, there is the Skeptical type, who is very smart about people and office politics but overly sensitive to criticism and always on the lookout for betrayal; the Bold type, who thinks in grandiose terms, is frequently in error but never in doubt, and refuses to acknowledge his mistakes, which then snowball; and the Diligent type, who is hardworking and detail oriented, with very high standards for herself and others, but also a micromanaging control freak who infantilizes and alienates subordinates. These types represent roughly 70% of the U.S. population. (See the sidebar "Recognize Your Type.")

The 11 types can be divided into the three broad categories proposed by the psychologist Saul Rosenzweig in the 1930s, which were based on a test that he had developed to assess anger and frustration. Some people are *extrapunitive*—prone to unfairly blaming others. Some are *impunitive:* They either deny that failure has occurred or deny their own role in it. And some are *intropunitive,* often judging themselves too harshly and imagining failures where none exists.

In our pharmaceutical example, Don, an Excitable type, exemplifies extrapunitive tendencies. He takes the statistics team to task instead of accepting any personal responsibility or attributing the failure to the drug itself. Extrapunitive responses are all too common in the business world. Seemingly every time executives testify before Congress—whether it's Tony Hayward, then BP's CEO, disavowing blame for the oil spill, or Richard Fuld, then Lehman Brothers' CEO, disavowing blame for the financial crisis—they point fingers at any organization except their own. Interestingly, long before they found themselves in the hot seat, both Hayward and Fuld were faulted for other instances of mismanaging blame. (HBR tried to reach Hayward and Fuld to give them the opportunity to respond but received no reply.)

The chief statistician, George, a Bold type, was impunitive, denying that he and his team had anything to do with the bad outcome. One well-known executive who has been accused of this sort of behavior is Carly Fiorina, a past CEO of Hewlett-Packard. Disgruntled former subordinates have described her as a self-promoting attention seeker who ignored integration challenges and day-to-day operations following HP's 2002 merger with Compaq and took no responsibility when the combined company failed to live up to its potential. When the HP board suggested that she delegate greater authority to her team and more power to the heads of key business units, she refused and was subsequently dismissed. (When HBR contacted Fiorina's chief of staff about this article, she declined to comment.)

Though less common than extrapunitive and impunitive personality types, people with intropunitive tendencies can also be problematic. The researcher Wendy, a Diligent type, exhibited this behavior by taking on excessive blame. This may have been due in part to her gender: Because of their socialization and other cultural influences, women are more likely than men to be intropunitive.

The underlying theme of our research is that many managers perceive and react to failure inappropriately and therefore have trouble learning from it—leading to more failures down the road. Many of us have at some point assigned (or avoided) blame in a self-serving way, only to suffer negative fallout; on the flip side, we may take self-criticism too far, resulting in paralysis and stagnation. To foster and thrive in a productive work environment, we need to recognize and overcome these tendencies.

How to Change Your Stripes

Fortunately, managers at all levels of organizations, and at any stage of their careers, can fix their flawed responses to failure. Here are some key steps you should take:

Cultivate self-awareness. First, it's important to determine whether you fall into one of the three categories. Several personality tests can help you assess your interaction style. Although the Myers-Briggs Type Indicator is probably the best known, others have more empirical support. One well-established model we've found particularly helpful is the Big Five, which measures openness to experience, conscientiousness, extroversion, agreeableness, and neuroticism, along with subfactors of these dimensions. It does a good job of illuminating how you deal with failure in yourself and others. For example, you may find that you score high on the *achievement-striving* subfactor of the conscientiousness dimension, indicating that you may become easily distressed if you don't meet ambitious goals. Or you might score high on the *anger* subfactor of neuroticism, suggesting a tendency to disproportionately fault others for minor errors and to exaggerate their gravity. (To assess yourself on the five dimensions and their subfactors, you can take the IPIP-NEO test, available free at personal.psu.edu/j5j/IPIP/ipipneo120.htm.)

Another useful exercise is to reflect on challenging events or jobs in your career, considering how you handled them and what you could have done better. You might ask trusted colleagues, mentors, or coaches to evaluate your reactions to and explanations for failures. Pay close attention to the subtleties of how people respond to you in common workplace situations, and ask for formal or informal 360-degree feedback; you may be surprised at what you discover.

For example, one media industry CEO we've worked with, an Excitable type, saw no problem with his habit of forcefully and publicly pointing out subordinates' minor errors. During an executive-coaching process he learned that his employees perceived him as extrapunitive. He realized that they had a more hierarchical worldview than he did and that he had underestimated how criticism from him—the boss—might affect them. He also came to accept that small mistakes should be treated differently from big ones, and that feedback on them should be balanced with encouragement.

Self-awareness is also helpful for people in the other two categories. If you find that others often see failure where you don't or if you have a hard time pinpointing times when you've failed, you might be impunitive (or at least risk coming across that way). At the other extreme, if you're constantly anxious about failing or if colleagues often reassure you that things aren't as bad as you think, you may be intropunitive.

Although not everyone has the time, inclination, or resources to get the kind of coaching or counseling necessary to surface and address deep psychological issues with respect to failure and blame, everyone can undertake and benefit from this sort of reflection.

Cultivate political awareness. Even if you've analyzed your behavior and think that you act appropriately with respect to blame, your colleagues might disagree. As the media industry CEO learned, you must know your audience and recognize that each situation is different. Behavior that was appropriate in the past might be perceived as extrapunitive, impunitive, or intropunitive in a new role or company. Whereas self-awareness helps you understand what messages you're sending, political awareness helps you understand what messages others are receiving. It requires that you know how your organization defines, explains, assigns responsibility for, and attempts to remedy failure.

Take the case of a COO who had recently joined a health care nonprofit. As part of a large-scale change effort, he was asked to lead a task force that would identify inefficient processes and make recommendations for improvements. Other

Idea in Brief

THE CHALLENGE

Many managers handle failure and blame inappropriately and therefore have trouble learning from them, which leads to more failures down the road. Some become *extrapunitive,* blaming others unfairly; some become *impunitive,* denying that failure has occurred or their role in it; while others are *intropunitive,* judging themselves harshly and congering up disasters.

THE SOLUTION

To help fix these responses, cultivate self-awareness *and* political awareness to better understand the messages you are sending. Embrace new strategies such as listening and communicating, reflecting more on what happened, and articulating lessons learned for next time.

THE PAYOFF

When failure happens, you will appreciate your own role and responsibilities more clearly as well as recognize problematic behavior in those around you. The tactics provided will help you approach the situation with an open mind and react in a balanced, constructive way.

RECOGNIZE YOUR TYPE

The 11 personalities below have dysfunctional reactions to blame.

These types represent roughly 70% of the U.S. population.

BLAMES **OTHERS**

EXTRAPUNITIVE

EXCITABLE: "VOLATILE GUARDIAN"
Overreacts to minor mistakes

Determines failure prematurely

CAUTIOUS: "SENSITIVE RETIRER"
Expects failure to occur

Is too defensive to learn from feedback

SKEPTICAL: "WARY WATCHER"
Believes he will be unfairly blamed

Sees only criticism in constructive advice

LEISURELY: "RATIONALIZING BLAMER"
Looks for and offers up excuses

Often blames whoever assigned the task

BLAMES **ONESELF**

INTROPUNITIVE

DILIGENT: "MICROMANAGER"
Criticizes himself for even minor errors

Is so concerned about failure that he may suffer "analysis paralysis"

DUTIFUL: "MARTYR"
Accepts more blame than she deserves in order to preserve work relationships

Blames herself so harshly that others typically refrain from criticizing her

DENIES BLAME

IMPUNITIVE

BOLD: "BIG PERSON ON CAMPUS"
Becomes angry or hurt when blamed

Ingratiates herself with her superiors in the hope of avoiding blame

MISCHIEVOUS: "HIGH-WIRE WALKER"
Denies his role in failure; may deny that failure has even occurred

Distorts information to avoid blame

RESERVED: "INDIFFERENT DAYDREAMER"
Ignores potentially helpful feedback

Seems not to care about failure or blame

COLORFUL: "THESPIAN"
Expects forgiveness for any and all failures

Would rather be blamed than ignored

IMAGINATIVE: "ASSERTIVE DAYDREAMER"
Offers complex explanations for failures

Seems anxious about being blamed in the future but indifferent in the present members of the executive team were assigned to lead other groups. Because he was very busy with his day-to-day work, the COO and his task force fell behind. When the CEO held a meeting to discuss the various groups' progress and share their findings, the COO, a Reserved type, simply described his team's activities, making no mention of their missed deadlines and failure to deliver any results. This made the CEO angry; he perceived the COO's behavior as impunitive and felt that it set a bad example for the other task forces. Fortunately, the CEO was not a blaming type. After the meeting he privately told the COO that although falling behind schedule might have been unavoidable, he had to take responsibility for the delay. The COO realized that the nonprofit's culture was different from the cultures he'd experienced at other companies. In his previous jobs, leaders were expected to hide their shortcomings, not acknowledge them as a means of showing their commitment to improving. The COO had to learn how to criticize himself, appropriately and publicly, in order to succeed in his new job.

Political awareness involves finding the right way to approach failure within your specific organization, department, and role. An intropunitive person might be effective at a small, highly collegial company but have to change his ways at a larger, more competitive one, where rivals might take advantage. An extrapunitive boss who only slightly softened her criticisms when independently running a sales department might have to tone them down further when coleading a cross-divisional team.

Embrace new strategies. Once you're aware of your bad habits, you can move toward more-open, adaptive responses. The strategies needed can work for any of the dysfunctional types. The first is to *listen and communicate.* It sounds obvious, but most of us forget to gather enough feedback or sufficiently explain our actions and intentions. Especially when it comes to credit and blame, never assume that you know what others are thinking or that they understand where you are coming from.

The second is to *reflect on both the situation and the people.* At the end of each project or performance cycle, think about things that might have pushed you or others into extrapunitive, impunitive, or intropunitive reactions. How did you respond? How did your colleagues? Was everyone on the same page? If not, why? What effect did situational and interpersonal factors have on the outcome?

The third strategy is to *think before you act.* When a failure seems to have occurred, don't respond immediately or impulsively. It's not always possible to right the wrong, but it's almost always possible to make things worse by overreacting in a highly charged situation. If you become extrapunitive, others may become impunitive. If you become intropunitive, others may pile on. Take the time to consider several possible interpretations of the event and to imagine various ways you might respond.

The fourth strategy is to *search for a lesson.* Mistakes happen. Sometimes a colleague or group of colleagues is at fault. Sometimes the responsibility lies with you. Sometimes no one is to blame. Look for nuance and context and then create and test hypotheses about why the failure happened, to prevent it from happening again.

When the talented chief technology officer of an internet company, a Skeptical type, discovered that his department's high turnover rate was caused by what employees described as an extrapunitive leadership style, he resolved to use these strategies. Previously he would excoriate his team if projects ran late or did not achieve their goals, refusing to listen to any explanations. The problem, he now learned, wasn't that his employees lacked competence; it was that they didn't always understand his instructions and were afraid to request clarification. So his first step was to check in with them to make sure everyone knew what he wanted. If results were unsatisfactory nonetheless, his initial response was still to criticize—but now he also spent time analyzing how the people and the situation had contributed to what went wrong. He started taking "deep dives" into failed projects, assigning blame only after careful consideration. Because of this approach, staff members began to share more information with him, which helped everyone identify weaknesses and oversights that had affected results. They also grew more comfortable telling him about minor problems earlier, making the problems less likely to cascade. Morale and productivity improved, and turnover decreased.

Let's look at how these strategies can benefit the other types. An executive who learns that he is coming across as impunitive, as the COO at the health care nonprofit did, can ask others for feedback about whether the quality, quantity, and

Further Reading

ARTICLES

Rebounding from Career Setbacks

by Mitchell Lee Marks, Philip Mirvis, and Ron Ashkenas

HBR, October 2014
Product no. R1410J

It's not easy to recover from a big career disappointment. This article offers practical guidance for transforming anger and self-doubt over what seems like a failure into focused exploration and excitement about the fresh possibilities the situation presents.

What to Ask the Person in the Mirror

Robert S. Kaplan

HBR, January 2007
Product no. R0701H

Every leader gets off track occasionally. Kaplan offers questions for reflection in seven areas: vision and priorities, managing time, feedback, succession planning, evaluation and alignment, leading under pressure, and staying true to yourself.

timeliness of work products represent success, failure, or something in between. Someone with intropunitive tendencies might make a list of all the situational factors that contributed to poor outcomes. Wendy eventually realized that she was hurting her career by taking too much responsibility for failure. So she started communicating more closely with her colleagues at the outset of a task to inoculate herself against worrying later on that she had acted without support. She pushed others to do their homework, share their opinions, and raise any objections; she also paid attention to subtle signals that she lacked consensus. The next time a drug trial she was involved in failed, she thought carefully about the reasons, soberly considered her role, and decided not to blame herself.

How to Influence Others

Just as important as understanding your own tendencies is recognizing when your bosses, peers, or subordinates might fit into the categories we've outlined. Having insight into their motivational biases and emotional reactions to failure can help you give them feedback in the right way and at the right time—feedback that increases their self-awareness and political awareness and ultimately helps them change their ways. Of course, sometimes dysfunctional people cannot be influenced; if this is the case with your boss, your best option may be to seek other career opportunities inside or outside your organization. However, people often conclude too quickly that their bosses can't change.

The chief of staff at an investment firm had an extrapunitive manager, a Cautious type, who was highly successful and widely respected in the industry but completely uninterested in personal improvement. Like the CTO described earlier, he gave little direction to his employees and then snapped at them when they failed to meet his deadlines or expectations. Although the chief of staff was not herself a victim of his outbursts, she sympathized with the junior executives who were. She identified one area of constant contention: questions about how to classify investments. The boss typically told staff members to "figure it out," and the time they spent doing so often led to delays in their analyses. She came up with a solution (forming a committee to create guidelines, which would then go to the manager for approval) and waited for the right time—when he was in a good mood and not too busy—to present it. He agreed, the committee was appointed, and things went more smoothly. The chief of staff had helped her colleagues and protected her extrapunitive boss from himself.

It's also possible to constructively influence people who have impunitive and intropunitive tendencies. Rather than criticizing his new COO publicly and making him defensive, the CEO at the health care nonprofit gave him supportive coaching. At the pharmaceutical company, George helped Wendy see the broader organizational context for the drug application's failure.

HANDLING FAILURE and blame the right way is key to managerial success. We believe the taxonomy we've presented will not only help you see your own role and responsibilities more clearly but also help you better understand the perceptions of others. And we hope this knowledge will enable you to approach failure with an open mind, react to it in a balanced and strategic way, and, most important, learn and help others learn from it.

HBR Reprint R1104L

Ben Dattner is the founder of Dattner Consulting, an adjunct professor of industrial and organizational psychology at New York University, and the author of *Credit and Blame at Work* (Free Press, 2011), from which this article is drawn. **Robert Hogan** is the founder and president of Hogan Assessment Systems and was the McFarlin Professor and the chair of the psychology department at the University of Tulsa for 17 years. He created the Hogan Development Survey, a psychometric assessment of the personality attributes described in this piece.

When to Set Rigid Goals, and When to Be Flexible

by Steve Martin and Helen Mankin

TO ENCOURAGE loyalty, the online store Yesmywine gives customers a "Country Medal" stamp every time they buy a bottle of wine. Customers who collect 12 medals during the course of a year receive a reward, such as a free bottle of wine.

Sounds like most standard loyalty programs, right? It's not—there's a catch.

To qualify, customers must collect their 12 medals in a specific sequence set out by the store. For example, in January they might be told they have to buy a French Chardonnay; in February, an Australian Shiraz; in March, an Argentinian Malbec; and so on.

At first glance this loyalty program appears overly restrictive and therefore less likely to attract customers. But making that assumption would be a mistake. Yesmywine has recognized something counterintuitive about the setting and pursuit of goals that may not only encourage people to purchase more wine but also help managers set targets for their teams.

It's no surprise that most people strongly prefer flexibility when it comes to choosing their goals. Most of us aren't actually very good at predicting our actions and behaviors, and adopting a somewhat elastic approach to setting goals allows us some future wiggle room.

But this same logic doesn't apply when it comes to *pursuing* those goals after we have set them. In fact, once people have set a goal, they are much more likely to complete it if the steps to achievement are set out in a rigid, restrictive way.

DAN HERRICK/GETTY IMAGES

Here's an example from a set of studies conducted by Stanford marketing professor Szu-chi Huang and her colleagues. Patrons at a city yogurt shop were offered a reward card entitling them to a free yogurt after making six standard purchases. However, not all the cards were the same: Half required people to purchase six different flavors of yogurt in any order to claim the reward; the other half required customers to purchase six different flavors in an order set by the store. Specifically, customers needed to purchase banana, apple, strawberry, orange, mango, and then grape.

People who were offered the flexible scheme were significantly more likely (about two and half times more) to sign up for the program than those who had to make the purchases in a fixed sequence. However, the opposite was the case when it came to completing the task. Those given the loyalty cards that required a very rigid sequence of purchases were much more likely (more than 75% more) to complete the goal.

Whereas a flexible approach encouraged more people to adopt the goal, that same flexibility actually hindered the goal's completion. But why?

The answer, it seems, has to do with the limits of people's decision-making ability. According to a variety of sources, we are required to make as many as 35,000 decisions a day. So in the context of an already information-overloaded, decision-fatigued workforce, people most likely appreciate the need to make fewer, not more, decisions. And that's exactly what a rigid approach to goal pursuit offers. By setting a predetermined sequence for achieving a goal, the number of unnecessary "decision points" that arise when people pursue a plan is reduced or, perhaps, eliminated completely. As a result, a goal becomes more likely to be achieved and the process potentially feels easier.

People are much more likely to complete a goal if the steps to achievement are set out in a rigid, restrictive way.

This insight sheds light on a dilemma that leaders, managers, and anyone else responsible for setting and monitoring goals often face. Received wisdom is that a leader sets goals and then gives autonomy to teams to achieve them. This research suggests the exact opposite: Leaders should be flexible when setting a goal, but once a direction has been agreed on, they should create rigid steps to achieve it. Which is the better approach?

The answer, as is often the case when it comes to people's behavior, is that context matters.

In situations where the goal pursued is relatively simple, and the motivation to achieve that goal is strong, this research suggests that taking a flexible rather than a fixed approach to the steps required to achieve the goal typically works better. However, when the change required is quite hard or a leader believes that her team's motivation levels might be low, creating a rigid sequence and structure should be more effective.

Imagine a manager tasked with persuading colleagues to adopt a new initiative—introducing a new set of customer service standards in their call center, for example. Before structuring the required actions, the manager should ask, "Is the challenge here one of getting buy-in or getting follow-through?" If the challenge lies in getting colleagues onboard, the manager should ensure that the sequence of required actions is flexible and practicable—and then emphasize that flexibility when announcing the initiative to the team.

However, if the challenge is getting follow-through, a different approach will be required. Here, the manager should adopt a much more structured approach, one that sets out the required steps in a clear, rigid, and specific way. When announcing the initiative, the manager should emphasize how this new program has been designed in a straightforward, uncomplicated fashion, thereby reducing the need for additional or unnecessary decisions.

Adopting this "rigid versus flexible" approach to setting goals could even help when it comes to your own achievements. Many of us set a goal for ourselves, perhaps to get back in shape after the holidays, at the start of the new year. If you find it hard to motivate yourself to take on such goals, having a flexible approach might be better for you. But if you struggle with follow-through—for instance, if you find yourself in situations where too many other priorities compete for

Management Tip

Read the Situation to Know How to Motivate People

Adapted from "Match Your Motivational Tactic to the Situation," by Juliana Schroeder and Ayelet Fishbach, HBR.org, January 8, 2016

Keeping employees motivated is one of the most important responsibilities of a manager. To do this, make sure you're using the right motivational tools at the right times. Keep these guidelines in mind:

Feedback. To enhance commitment, offer positive feedback when an employee is just getting started on a project. Solicit negative feedback toward the finish line to highlight any slow progress.

Goal setting. Focus on the work that's been done at the beginning of the project. Focus on how much more work needs to be done near the end, to avoid frustration.

Incentives. Immediate rewards (a bonus) are more effective in increasing motivation. Use extrinsic incentives (money) to motivate at the beginning of a project and use intrinsic incentives (job satisfaction) to help people persist toward the end of a project.

your attention—adopting a much more rigid approach, one that includes setting specific actions, could be more effective.

Some surveys have suggested that as many as two-thirds of people give up on their New Year's resolutions and goals before the month of January has ended, so adopting the right approach to setting and pursuing your goals could mean the difference between getting back in shape or consigning that treadmill to the back of the garage to gather dust.

The next time you set a goal for yourself, or your team, think about whether you're looking for buy-in or follow-through, and set a path to success accordingly.

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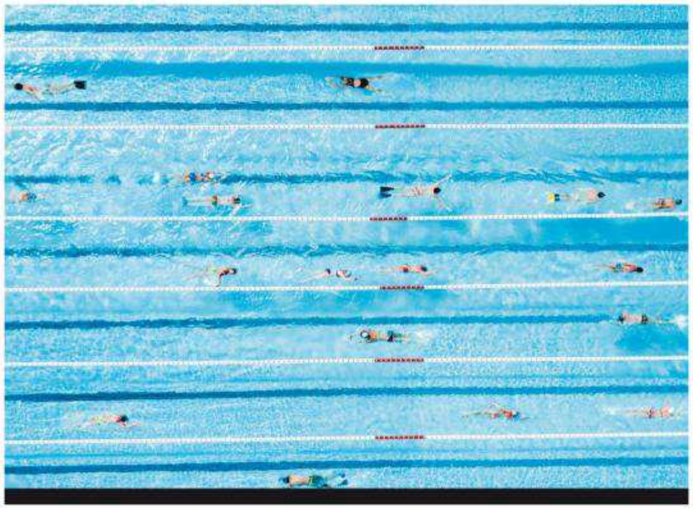


MARTIN STEINTHALER/GETTY IMAGES

How Managers Drive Results and Employee Engagement at the Same Time

by Jack Zenger and Joseph Folkman

IS IT POSSIBLE to be a high-standards, results-driven leader while at the same time building an engaged, fun-to-work-with team? Many people would contend that doing either of these things well makes it almost impossible to succeed at the other. And yet our examination of 360-degree assessment data from more than 60,000 leaders showed us that leaders who were rated in the top quartile of both skills ranked in the 91st percentile of all leaders. It seems that not only is it possible to do both things well, but the best leaders also are the very ones who manage to do both.

But there aren't very many of them—only 13% of leaders in our data set ranked in the top quartile on both driving for results and people skills. Still, this left us with a data set of 7,800 leaders to analyze.

To explore the specific attributes and behaviors of leaders, we looked more closely at this subset. We found that younger leaders excelled in this ability to run an effective and fun team environment. Leaders younger than age 30 were two to three times as likely to be effective at both results and engagement than their older compatriots. Nearly one-third of the group younger than age 30 achieved both priorities well. Around age 40, it seems, leaders appear to have made their choice between being results driven or interpersonally strong. From there forward, only 10% of leaders in any age group could do both things well.

Why? Perhaps younger people place a heavier value on work relationships than older generations do. Certainly, that seems true anecdotally: Young people do seem more interested in having close, personal friendships with their colleagues, whereas older workers seem more likely to say, "Work is work, and life is life, and never the twain shall meet," perhaps because those older colleagues know more people outside work. Or maybe older colleagues feel less of a need to rely on soft skills, assuming that colleagues will be influenced by their greater experience.

But we also wondered if the results we found correlated not with age (or not *only* with it) but with position. And indeed, that's what we found.

Supervisors are much more likely to carry both capabilities than senior managers are.

In fact, supervisors are twice as likely as senior managers to do both things well. As leaders moved from supervisor to top management, their people skills declined more than their drive for results. Both skills decline with age, and age and position correlate strongly with each other. People with less power, such as supervisors, are more likely to feel they have to rely on their people skills if they're going to get the results they want. But older or more powerful managers could also benefit from emphasizing their people skills, even if they don't realize it.

To understand how some leaders can perform both capabilities well, we compared the results for the group in the top quartile of both skills to all other leaders in the data set. We analyzed 40 behaviors and performed a statistical test (t-test) contrasting both groups' results. By analyzing the items showing the most significant differences, we performed a factor analysis and identified six clustered groups. These appear to be the behaviors that enable that 13% of leaders to consistently use both sets of leadership skills.

We labeled these clusters "behavioral bridges," because the evidence suggests they enable leaders to simultaneously drive for results and practice good interpersonal skills. Leaders with the following six powerful skills perform at a much higher level than those who lack these traits.

1. Communicates clear strategy and direction

Drives for results. Peak results hinge on everyone having clarity about the direction and understanding the strategy to achieve it.

People skills. When people are lost or confused, they quickly become dissatisfied. Leaders who communicate well and provide clear direction have a much more engaged team.

2. Inspires and motivates

Drives for results. More than three-quarters of leaders (78%) were rated higher on their ability to drive for results than on their ability to inspire and motivate others. We often refer to driving for results as "push" and to inspiring as "pull." When leaders can drive hard for results and at the same time inspire high effort and performance, they are much more likely to achieve results.

People skills. Inspiring behavior unleashes the energy within people to do their best work. Most of us want to make a positive difference in our work and the world. Leaders who can inspire and generate loyalty, commitment, passion, and enthusiasm in their team members excel at creating a positive work environment.

3. Establishes stretch goals

Drives for results. Setting stretch goals that team members accept can get others to work harder and raise the bar.

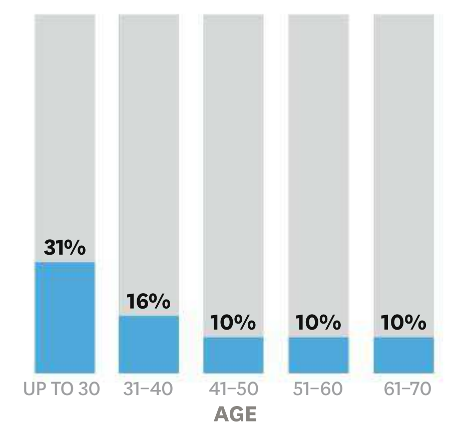
People skills. When stretch goals are collaboratively set with a team, amazing things happen: Work becomes fun. Everyone is all-in. People feel valued and competent.

4. Has high integrity and inspires trust

Drives for results. If a leader who is not trusted sets stretch

Younger Leaders Are More Likely to Be Rated Highly on Both Their Business Results and Their Team's Satisfaction

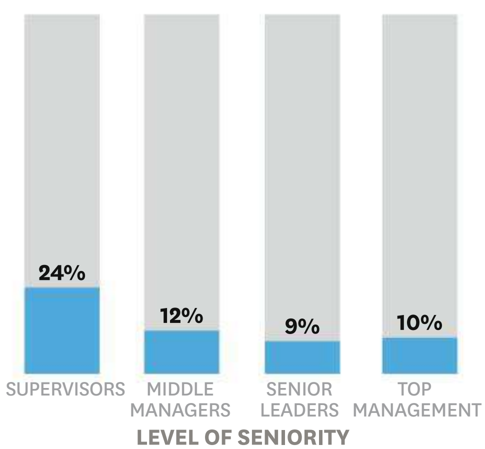
PERCENTAGE OF LEADERS



SOURCE ZENGER FOLKMAN ANALYSIS OF 7,800 LEADERS

Supervisors Are Twice as Likely to Be Rated Highly on Both Their Business Results and Their Team's Satisfaction

PERCENTAGE OF LEADERS



SOURCE ZENGER FOLKMAN ANALYSIS OF 7,800 LEADERS goals, team members often assume their manager is manipulating and taking advantage of them. A trusted leader's motives are beyond reproach.

People skills. A key component of building positive relationships with others is being trusted. To be trusted, leaders need to "walk their talk." They never ask their team members to do something they are not willing to do themselves.

"Behavioral bridges" enable leaders to simultaneously drive for results and practice good interpersonal skills.

5. Develops others

Drives for results. Leaders who care about the development of subordinates and take the time to develop these people reap the benefits in the results produced. Well-trained people are far more productive.

People skills. Most people want to develop new skills and competencies. Leaders who focus on helping team members grow are always viewed positively. Developing others has the twofold impact of elevating performance and creating a fun, engaging culture. It also attracts more people who want to work in it.

6. Is coachable

Drives for results. Leaders who resist feedback are much like the emperor with no clothes. Since they do not seek or want feedback, people do not speak up, problems slip through the cracks, and deadlines are missed. However, if a leader seeks feedback and is receptive to advice, colleagues will not stand by if they see that the leader is about to make a mistake.

People skills. Leaders who ask for feedback from others and work to make improvements are highly respected. Their coachability is an example to everyone.

Having the ability to simultaneously drive for results and practice excellent people skills is a powerful combination that has a dramatic impact on a leader's effectiveness. As noted earlier, we found that leaders who possess both of these skills were rated in the 91st percentile in their overall leadership effectiveness. Hopefully, you can identify one or two of these six behavioral bridges that will help you achieve this magic combination.

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Jack Zenger is the CEO of Zenger/Folkman, a leadership development consultancy. **Joseph Folkman** is the president of Zenger/Folkman. They are coauthors of the article "Making Yourself Indispensable" (HBR, October 2011) and the book *Speed: How Leaders Accelerate Successful Execution* (McGraw Hill, 2016). Follow Jack and Joe on Twitter: @jhzenger and @joefolkman.

READER COMMENT

It is not only possible to drive exceptional operating results while achieving high workforce engagement; it is virtually impossible to reliably achieve superior operating outcomes without a focused, fired-up, capably led workforce.

Bill Catlette, partner, Contented Cow Partners; chairman, National Foundation for Transplants

GILLIAN BLEASE/GETTY IMAGES

Three Popular Goal-Setting Techniques Managers Should Avoid

by Dick Grote

IN 2002 professors Edwin A. Locke and Gary P. Latham, two of the best-known academic researchers on goal setting, wrote an article in *American Psychologist* summarizing their 35 years of research. Among their findings:

- Setting specific, difficult goals consistently leads to higher performance than just urging people to do their best.
- High goals generate greater effort than low goals, and the highest or most difficult goals produce the greatest levels of effort and performance.
- Tight deadlines lead to a more rapid work pace than loose deadlines.
- Making a public commitment to a goal enhances personal commitment.
- Whether the goal is set by mutual agreement or by the boss alone doesn't make a big difference in goal achievement.

So the argument for strategic goal setting seemed settled. Set specific, difficult goals with tight deadlines. Don't be too concerned about whether the goal is jointly set by the individual and manager together, or whether the boss just hands the subordinate the list of goals he expects the subordinate to achieve together with a tough due date. Let everybody know what your goals are. The predictable results: increased effort, greater persistence, and better performance.

But many organizations don't follow Locke and Latham's advice. In fact, three goal-setting techniques that are common in today's organizations go directly against their findings: SMART goals, cascading goals, and percentage weights.

SMART Goals

By now, everyone who works for an organization must be familiar with the banal SMART acronym for setting goals. Goals must be Specific, Measurable, Attainable, Realistic, and Time-bound. Many wording variations exist, but the essence is always the same.

The stale SMART acronym can be a major obstacle to goal-setting success, and too often, it's the only support that's offered to those charged with setting goals. Although the SMART test may be useful for making sure that a goal statement has been phrased properly (in the same way that a spell-checker is helpful for flagging any misspelled words in a document), it provides no help in determining whether the goal itself is a good idea. In other words, a goal can easily be SMART without being wise.

It's easy to think that there's a technique that's going to make goal setting easy or straightforward, but there isn't.

Worse, the SMART technique encourages people to set low goals. No one is going to set goals that don't seem attainable or realistic, but a manager's weakest subordinates may glom on to the A and the R in the acronym as their justification for setting goals at the shooting-fish-in-a-barrel level of challenge. It's the setting of high goals—tough, demanding, stretching—that generates the greatest levels of effort and performance.

Tip Rather than using the acronym as a way to determine which goals are wise or worth pursuing, use it only as a test to check whether the goals are well stated.

Cascading Goals

People are frequently advised that goals should cascade down from the top of the organization. The president starts by setting her goals. The vice presidents then set their goals to support the achievement of the president's objectives. Then the directors determine their goals on the basis of the ones the VPs have set, followed in turn by the managers, then by the supervisors, and finally by those at the bottom of the organizational food chain.

Certainly no one should set goals that thwart those set by people higher in the organization. But if the concept of cascading goals is applied too rigidly throughout an organization, nobody can begin the goal-setting process until that person's boss has finished his goals. The process drags on interminably, and everybody blames the guy one step above for slowing down the process.

A further risk is that important goals that are specific to an individual's unique job may be omitted if there isn't an obvious link to a superior's goal.

Tip Free the goal-setting process from any rigid requirement that individual goals must be tightly linked to the supervisor's goals and limited only to the areas in which the supervisor has set his goals. The goals set by one's immediate supervisor represent an important data source about where a person might logically set her own goals for her own job; however, they should never limit an individual's goal setting.

Percentage Weights

Certainly some goals are more important than others, but assigning percentage weights to goals to indicate their relative importance is counterproductive.

Here's why. It's impossible to accurately identify the relative importance of goals at, for example, a 5% level of granularity. Should one particular goal be assessed as reflecting 20% of the total weight for all goals, or should it be 25%? And from which other goal should the additional 5% be taken? This argument isn't productive.

Using percentages to indicate goal importance creates an even bigger problem at appraisal time. If each goal is assigned a percentage weight, appraisers are more likely to conduct performance appraisals as though they are solving an arithmetic problem. With a percentage weight for each goal, and a five-level rating scale, appraisers are tempted (or even instructed) to multiply the percentage weight of the goal with the numerical score they've assigned to that goal, thus determining the assessment rating. Do this for all the goals, compute a mean score, and the final performance appraisal rating—out to one or two decimal points—is determined. This approach may be mathematically precise, but it's nonsense. Performance appraisal isn't a matter of mathematical computation; it's a matter of good managerial judgment.

Tip Don't assign percentage weights to goals. Instead, indicate High, Medium, and Low, or list goals in the approximate order of their importance, to indicate the relative degree of significance of each goal compared with the others.

It's easy to think that there's a technique that's going to make goal setting easy or straightforward, but there isn't. However, as Latham and Locke's research has shown, the payoffs of investing time and thought into goal setting are substantial. Just avoid being blindly constrained by the SMART test, be cautious about cascading goals, and avoid percentage weights. You'll set better goals.

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Dick Grote is a management consultant in Dallas, Texas, and the author of *How to Be Good at Performance Appraisals* (Harvard Business Review Press, 2011).

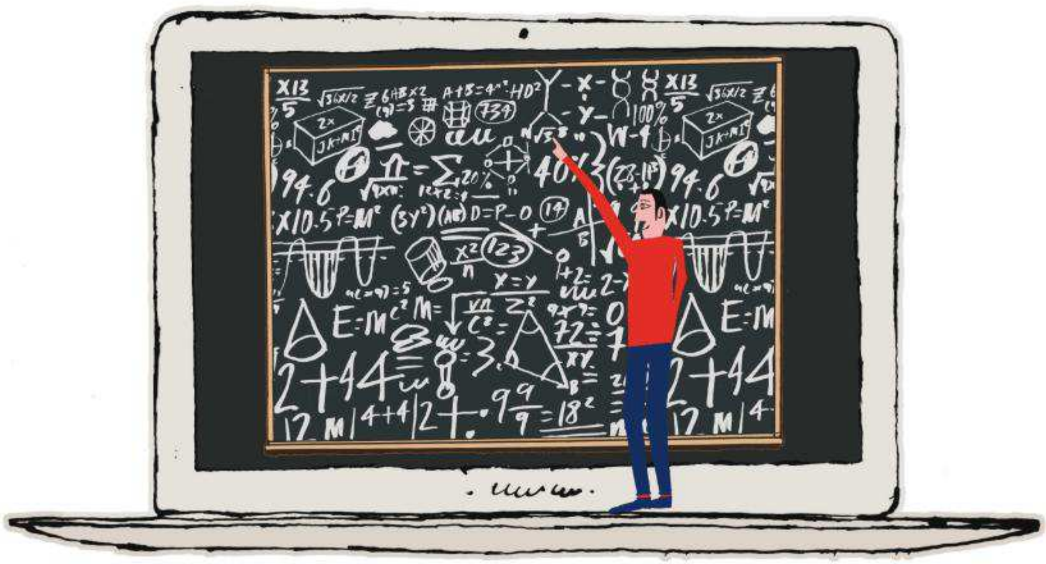
READER COMMENTS

I 100% agree that simply formatting a bad goal to the SMART format doesn't make it a good goal-setting exercise. SMART is only useful in ensuring that something can be clearly defined as a goal. I've seen far too many "try harder, do better" goals, with no way of measuring success, and many goals where the individual has almost no influence over the outcome. Stretch goals are great, as long as there are some appropriate incentives along the way. Assigning me a stretch goal that results in a 0% bonus if I fail to meet that goal *and* I believe the goal is unrealistic is counterproductive. However, if I get my bonus at a realistic level *and* an outsize bonus at a stretch-goal level, now you have my attention.

Tim Reilly, director of marketplace services, Radial

There is a tremendous amount of confusion about the use of the term "goal." Classically, it is defined as a desired long-term result. When we talk about individual performance, we could, of course, talk about their desired *long-term* results, but it's more appropriate to discuss their performance objectives, which are their desired *short-term* results. Semantics? Yes, but nonetheless, it's always important to define the terms we use, or we will leave people confused.

Pete Delisi, president, Organizational Synergies



How to Support Employees' Learning Goals While Getting Day-to-Day Stuff Done

by Nick Gidwani

MANY OF THE MOST successful people had to fight tooth and nail for opportunities to learn new skills and advance up the corporate ladder, often because what they wanted to learn and achieve wasn't in sync with what their bosses wanted for them. *You're not a data scientist. You're not cut out for engineering. Sales isn't what you do.* Lines like these are still used all too frequently when employees tell their managers they want to move in a new direction.

But this is only half the story. Managers are under tremendous pressure to generate results. You have annual quotas, quarterly goals, and increasing competition. Who has time to let employees learn skills that may not be relevant for years or may not serve your unit at all?

I hear these challenges all the time as I work with managers at all levels, particularly in large corporations. I've also faced them myself with the companies I founded and scaled. It's a tough balancing act. But I've learned key lessons to help managers turn lofty goals—such as making learning and development a central pillar of the workday—into real actions that mitigate damage to, and even help strengthen, the bottom line. Here's how.

Get top-level guidance and metrics. Developing talent is now a key business imperative, requiring real buy-in from the top brass in your company, all the way up to the CEO. Executives' broad statements about the importance of learning are all well and good, but as a manager you need clear marching orders that include data and expectations.

Ask the bosses to tell you (1) how much time they expect employees to spend learning during work hours; (2) how your unit's monthly, quarterly, and annual goals will change as a result; and (3) what metrics will be used to determine how well your unit is doing at embracing learning and development, and how that will in turn affect your review.

There will always be some tension. Part of your job will be to manage this uncertainty. Be confident that if you approach learning and development with the right mindset, the outcomes will be good.

Nearly every manager who has reported to me has questioned the wisdom of spending time building talent when there are immediate business goals. But those same managers eventually recognized that the ROI for enabling this development is enormous.

Hire to train. Here's the good news: The new, bigger role of learning allows you to

NEASDEN

save money in hiring. When I launched my first company in 2008 (CarZen, acquired by Liberty Mutual), one of my first hires was a CTO. I chose an experienced developer who was in huge demand and an expensive hire.

I also hired an entry-level employee who demonstrated enormous potential and ambition, although he had only rudimentary development skills. I made him the CTO's protégé and had the CTO spend time teaching and evaluating him. It meant giving up between one-quarter and one-third of the CTO's productivity, but this time was being used as an investment in my future talent. Eventually, the CTO moved on and the protégé took over as the lead developer. Grateful for the opportunity and for all we had done for him, he stayed for years, even though he could have made more money elsewhere.

I've used this system for hiring in general, including in the next company I founded, SkilledUp (which was acquired by the Apollo Education Group). I regularly hired people right out of college, as well as people who hoped to pivot from an existing career and, although they still needed to learn fundamentals, had a good base of core skills and the ambition to learn.

This idea of using on-the-job training to save money and build a workforce has also proven to be successful around the world, such as with Germany's apprenticeship program.

Treat learning as a shared responsibility. The onus is not entirely on you—learning and development are also the employee's responsibility, and not all learning activities will take place on company time.

Just how much time an employee can spend is a matter of the C-suite's guidance. But what kind of learning each employee desires will play a role in figuring out this balance. If a worker wants to transition into a completely different department, it's OK to expect that some of that learning should take place on the employee's own time.

When workers feel that they aren't given the chance to stretch their wings, they leave.

The best way to handle this is through open communication. Discuss with your direct reports what kinds of learning they want to do and why. Perhaps they've spotted an edge skill that could transform how your unit operates, they want to be able to present ideas more clearly in meetings, or they wish to jump from engineering to sales. Work out plans together. Discuss what there's time for and what your expectations are. And listen with an open mind.

That brings us to the fourth lesson: how to talk about learning.

Speak at the skill level, not the role level. If an employee wants to explore a new role in the company, don't even consider whether you think she would be "a good fit." Instead, break down the skills necessary to do the role. For example, tell the employee: "You would need to develop expertise with Tableau" (or "improve your presentation skills"). As employees embark on learning paths, offer them honest feedback and suggestions on to how to improve.

By having these conversations at the skill level rather than the role level, you'll alter the complexion of the work environment. People will feel freer to tell you that they'd like to learn new skills. And you'll be able to offer positive, encouraging steps forward.

Even the most well-meaning managers sometimes aren't equipped to identify whether an employee has the skills for a role not under their purview. Focusing on skills helps demystify the whole idea of transitions for both you and your direct reports. And perhaps more important, it helps keep great people in the company. When workers, particularly Millennials, feel that they aren't given the chance to stretch their wings, they leave.

I see this analogy in sports all the time. Basketball player Giannis Antetokounmpo, of the Milwaukee Bucks, is described as having "come out of nowhere" to become one of the league's greats. But if anyone had broken down the individual skills (and perhaps genetic traits) it takes to be a great basketball player, they would have seen his enormous potential—and other teams could have snatched him up.

Inside your unit, you may have a future star—someone with the skills and the ability to learn, someone who could lead the company. By making learning real, practicable, and possible, you are giving yourself, the employee, and the entire company a stronger future.

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Nick Gidwani is a serial entrepreneur and startup adviser. He was previously CEO and founder of CarZen and SkilledUp, and sits on the board of companies such as Pathgather and Corestream.

READER COMMENT

The first step is to create the desire to learn. Without that, no amount of coaching, mentoring, or training will help employees. An effective way to create the desire to learn is to make the employees' goals and aspirations the foundation for the learning solution. Expose your employees to experts, role models, and successful people within and outside the organization. Assign the employees a task or deliverable as an apprentice first. And finally, ensure that employees can practice and use those newly acquired skills.

Pankaj Kumar Shah, management consultant and trainer, self-employed, Gigeconomy

Managing a Team That's Been Asked to Do Too Much

by Liane Davey

RECENT CASES highlighted in the media suggest that executives, in a desperate quest to quench the market's unquenchable thirst for growth, are ignoring reason and dictating growth targets so insurmountable that their employees are turning to unethical and perhaps illegal means to achieve their goals (for example, Wells Fargo and Enron). Are you worried about something like that happening in your organization? You might believe that you're an innocent pawn in this game, but as a manager, you have a responsibility to ensure that unreasonable targets don't unleash harmful behaviors on your team.

Harmful behaviors come in many forms. At the relatively mild end of the spectrum, unrealistically high targets can motivate employees to game the system using short-term tactics that can be destructive in the long run. Common examples of such trade-offs include upselling products or services that are of little value to the customers or selling at unprofitable prices. Less common but more dire consequences of unrealistic targets include immoral actions such as charging customers for services they didn't want or invoicing for work that never happened.

It's easy to lay the blame for inappropriate targets at the feet of those well above you in the hierarchy. It's tempting to exonerate yourself and attribute any negative behavior to the mistakes made at the top. But that would be an abdication of your responsibility as a manager. When those above you fail in their leadership obligations, the responsibility falls to you. For the people on your team, you *are* the leadership. They are depending on you to guide them through the precarious choices they face.

The first thing your team is counting on you to do is to question unreasonable targets before accepting them. Too few managers have the courage or wherewithal to do anything but roll over when their boss hands them an astronomically high number. If you receive a target for your team that you believe is unattainable, it's your responsibility to share your concerns. The point is not to reject the goals, which might have negative repercussions on your career, but to

JUAN DÍAZ-FAES

calmly and rationally share the facts and highlight your concerns.

For example, you could say, "I saw the $2 million target for our team. That would represent a 23% increase over last year at a time when our staffing has been cut. To reach these targets, each team member would have to improve their year-over-year performance by 38%, when the best improvement we've ever achieved is 11%. I'm concerned that attempting to achieve those targets will encourage short-term thinking that will affect our customer satisfaction and ultimately constrain our growth. Are there opportunities to revisit this target?"

Although it would be nice to think that advocating for a more reasonable target would work, my experience has been that it seldom does. The pressures to perform and to grow are simply too high. In that case, when you're saddled with unachievable goals, your role is to mitigate the negative consequences. There are a variety of techniques you can try.

You do have one other recourse if your boss won't change your target: You can ask for the resources you'll need to be successful. In the example above, you might ask for additional staffing to reduce the burden on each employee. Alternatively, you might ask for additional marketing or advertising support, or for tools to reduce the administrative burden.

Once you're clear on the hand you've been dealt, engage your team in some creative thinking about how to be successful. A team member is most likely to turn to counterproductive or unethical behaviors only after exhausting the more appropriate options. Your job is to make sure there is *always* a constructive option for what to try next. Continually engage the team in generating ideas. Ask questions such as, "Where do we get the most traction?" and "What approaches are working best this month?" Where possible, provide data and help the team glean insight that inspires new approaches.

When those above you fail in their leadership obligations, the responsibility falls to you: For the people on your team, you *are* the leadership.

As important as it is to provide good options, it's equally important to define the off-limits options. Be explicit in asking, "What would we *not* be willing to do to hit our target?" or "What would give us short-term gain but create long-term pain?" Having an open discussion about the types of behaviors that aren't acceptable will create strong social pressure to stay within the lines.

Setting up clear boundaries for good and bad behavior will be helpful, but it won't necessarily be sufficient to curtail counterproductive or unethical behavior. You need to be vigilant about how your team members are working toward their goals. In both group and one-on-one conversations, ask specifically about the techniques people are finding effective. Probe for details to increase your confidence that they are using appropriate strategies. Make it clear that you're paying attention to what they achieve and how they achieve it. The right amount of scrutiny will discourage bad behavior.

You also need to reduce the likelihood that employees will resort to unsavory approaches if they feel personally exposed or vulnerable. Be extremely careful not to embarrass or belittle a team member or cause shame for not reaching targets. Be quick to discourage competition within the team that might exacerbate the temptation for rogue behavior. Don't compare team members to one another; instead of calling out individuals who are having success, focus on strategies that are working.

Finally, in the face of unreasonably high targets, question any extraordinary results. Dig into the numbers and understand what is making the outlier abnormally successful. This will serve two purposes. First, it will allow you to test for any untoward approaches and manage any unethical behavior. Second, if everything was on the up-and-up, it will give you an opportunity to share the successful approaches with the whole team. A little skepticism is important when there's a risk of bad behavior.

It's a terrible position to find yourself in when you're forced to manage a team toward unrealistic targets. Unfortunately, many of the management techniques you use to drive performance in normal circumstances can drive unproductive or unethical behavior. Make sure you're focusing the team on positive and constructive approaches and keep an eye out for bad behavior.

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Liane Davey is the cofounder of 3COze Inc. She is the author of *You First: Inspire Your Team to Grow Up, Get Along, and Get Stuff Done* (Wiley, 2013) and a coauthor, with David S. Weiss and Vince Molinaro, of *Leadership Solutions: The Pathway to Bridge the Leadership Gap* (Jossey-Bass, 2007). Follow her on Twitter: @LianeDavey.

READER COMMENTS

A team member is most likely to turn to counterproductive or unethical behaviors when incentives are tied to goals and targets. We are quick to blame goals (for example, "goals gone wild") when individual incentives are the real culprit.

Alan Colquitt

This article underscores two themes: (1) Yes, we do risk people feeling that the ends justify the means when we put too much emphasis on the *what* at the expense of the *how,* and (2) we need to remember the concept of constructive tension—for example, there is a sweet spot for the intersection of stress and productivity. Although too little pressure can result in lower results, too much can become dysfunctional and reduce results. As leaders, we need to advocate for our people and push back against unreasonable goals where the boulder to be pushed up the hill is just too big.

Kathy F. Bernhard, president, KFB Leadership Solutions

JACOBSEN/THREE LIONS/GETTY IMAGES

Teach Your Team to Expect Success

by Christina Curtis

ACCOMPLISHED LEADERS anticipate success, and that helps them obtain it. Research shows that high expectations lead people to work harder and commit to conquering the challenges ahead. As HP's chief legal officer, Kim Rivera, describes it: "I go into a situation with my eyes wide open knowing that it may exceed the limits of my intellect, the limits of my emotions, and that sometimes I'll be exhausted. I expect all that turbulence and still know that I can get there."

My coaching clients seem to intuitively understand how this mindset has helped them get past bumps in the road and achieve their goals. They want the same results for their team members and often ask, "How do I get *them* to think this way, too?"

To find some answers, I reflected on my coaching engagements with more than 1,500 people and interviewed 25 senior executives leading teams in *Fortune* 500 companies. Here are the three most common strategies that emerged. To a large extent, what's good for individual leaders also works well for the groups they lead.

Reframe the team's narrative. We tend to process and remember events as stories. These narratives affect how we see the past and how we act in the future. When a setback occurs, team members may get caught up in a story of blame, guilt, or avoidance, which can put a drag on motivation and performance. Often I see people sit too long in a failure, ruminating over where they went wrong. As Priya Anant, director of user experience at Google, explains, "Sometimes team members see a dead end when it's really just a sharp turn in the road."

After a setback, help your team members identify what went wrong and ask them what they learned from it. That emphasis on learning will shift their focus away from the failure and toward what's possible next time. One of my clients (we'll call him Tom), the president of a North American leasing company, did just that. Tom's company faced significant challenges when a major competitor, IBM, changed the way it structured contracts. His sales team went from winning 85% of the deals to winning only 20% almost overnight. He brought the team together to identify what they had learned and find new ways to compete. "The magic," Tom explained, "was when they started to see past this hurdle to the next chapter of our company. You could literally feel the energy shift in the room." Once the team bought in to their ability to succeed, sales began to turn around.

Shine a light on what's working. Much like creating a negative narrative, fixating on mistakes undermines confidence—and the reverse is true, too. By providing more positive feedback, you can help the team envision their success and elevate their performance.

By providing more positive feedback, you can help the team envision their success and elevate their performance.

In my interview with Anant, she shared a story about a direct report who was hesitant to take on new projects and second-guessed his own decisions. She helped him focus on his strengths and how they were generating positive outcomes. She built up his confidence and competence simultaneously. He overcame his self-doubt and went on to get promoted.

However, leaders struggle to find time to reflect on their team's efforts. When the week quickly gets booked up in a dead run for results, recognition quietly falls off the calendar.

Time is not the only challenge. Evolutionary psychology has taught us that human beings are hardwired to overanalyze the negatives. Negative events act like an early warning signal for the brain to quickly assess threats, leading us to process a narrower stream of data. This is why I caution leaders against using the "sandwich" approach to feedback (positive, negative, positive). Collapsing praise and criticism into one conversation detracts from the power of appreciation. Instead, it trains people not to trust compliments—they learn to wait for the impending "but."

Leaders who frequently demonstrate confidence in their teams' abilities will find that team members then gain more confidence in themselves. It's important to schedule weekly reminders to share what's working and how individual and team contributions are driving those outcomes.

Give your team members more control. We've long known that giving employees more of a say in setting goals and figuring out how the work should get done enhances their commitment to achieve. Research has consistently illustrated the benefits of empowering others—one study in particular found it to be the most effective way to increase the productivity of a team.

My observations are consistent with this research. One of my clients, Julie, an executive VP, inherited a group that was hemorrhaging talent. The team had lost about a third of its original members, with the others shopping for different jobs. Julie set the vision for what success would look like, clearly articulating her belief in their ability to succeed. She then stepped back, handed over the reins, and let them define the path for how to get there. "Having them chart their own course was far more powerful than having me dictate it," Julie explained. A few months later, one of the directors told me that Julie's belief in the team's success translated into a renewed sense of drive and ownership: They too began to believe.

To empower your team, you need to establish trust. I often recommend that leaders rate the strength of their relationship with each direct report. The stronger the relationship is, the greater the effort and intensity that team member is likely to invest. Any relationship that receives a score of three out of five or lower deserves an action plan for changing the current dynamic.

Even leaders who expect success of themselves—and thus obtain it—often don't think to foster this mindset in their teams. But these three simple strategies can help them do that. Like individuals, teams stand a greater chance of achieving big things when they believe they will.

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Get Your Team to Do What It Says It's Going to Do

How to close the gap between knowing and doing by Heidi Grant

SAY YOU'RE IN the early stages of planning your department's budget for the next fiscal year. Your management team meets to establish short-term priorities and starts to think about longer-term resource allocation. You identify next steps and decide to reconvene in a week—but when you do, you find that very little progress has been made. What's the holdup? Your to-dos probably look something like this:

Step 1: Develop a tentative budget for continuing operations.

Step 2: Clarify the department's role in upcoming corporate initiatives.

Those steps may be logical, but they're ineffective because they omit essential details. Even the first one, which is relatively straightforward, raises more questions than it answers. What data must the team gather to estimate requirements for continuing operations? Who will run the reports, and when? Which managers can shed additional light on resource needs? Who will talk to them and reconcile their feedback with what the numbers say? When will that happen? Who will assess competing priorities and decide which trade-offs to make? When?

Creating goals that teams and organizations will actually accomplish isn't just a matter of defining what needs doing; you also have to spell out the specifics of getting it done, because you can't assume that everyone involved will know how to move from concept to delivery. By using what motivational scientists call if-then planning to express and implement your group's intentions, you can significantly improve execution.

If-then plans work because contingencies are built into our neurological wiring. Humans are very good at encoding information in "If x, then y" terms and using those connections (often unconsciously) to guide their behavior. When people decide exactly when, where, and how they will fulfill their goals, they create a link in their brains between a certain situation or cue ("If or when x happens") and the behavior that

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ILLUSTRATION BY JUAN DÍAZ-FAES

should follow ("then I will do y"). In this way, they establish powerful triggers for action.

We've learned from more than 200 studies that if-then planners are about 300% more likely than others to reach their goals. Most of that research focuses on individuals, but we're starting to uncover a similar effect in groups. Several recent studies indicate that if-then planning improves team performance by sharpening groups' focus and prompting members to carry out key activities in a timely manner.

That's an important finding, because organizations squander enormous amounts of time, money, ideas, and talent in pursuit of poorly expressed goals. If-then planning addresses that pervasive problem by sorting out the fine-grained particulars of execution for group members. It pinpoints conditions for success, increases everyone's sense of responsibility, and helps close the troublesome gap between knowing and doing.

Overcoming Obstacles to Execution

Peter Gollwitzer, the psychologist who first studied if-then planning (and my postdoctoral adviser at New York University), has described it as creating "instant habits." Unlike many of our other habits, these don't get in the way of our goals but help us reach them. Let's look at a simple work example.

Suppose your employees have been remiss in submitting weekly progress reports, and you

REACHING YOUR PERSONAL GOALS

Studies show that whether we're trying to complete work projects, save for retirement, obtain preventive health care, or lose weight, we fail to follow through on our commitments roughly 50% of the time (and that estimate is optimistic at best). Even when we know what we need to do—and we truly want and intend to do it—somehow it still doesn't happen.

Why? For lots of reasons, actually. We often miss opportunities to act because we're too busy to notice them. Sometimes we lose confidence in our ability to carry out a project, so we push it to a mental back burner. Or we allow competing goals, motivations, or temptations to interfere.

If-then planning solves some of those problems and helps us execute despite others. Controlled experiments showed improved attainment of a variety of goals:

	TURNING IN WEEKLY REPORT PROMPTLY	MONTHLY BREAST SELF-EXAM	EXERCISING REGULARLY	TAKING MEDICATION ON SCHEDULE
IF-THEN PLANNERS	1.5 HOURS LATE	100%	91%	79%
NON-PLANNERS	8 HOURS LATE	53%	39%	55%

ask them all to set the goal of keeping you better informed. Despite everyone's willingness, people are busy and still forget to do it. So you ask them each to make an if-then plan: "If it's 2 PM on Friday, I will e-mail Susan a brief progress report."

Now the cue "2 PM on Friday" is directly wired in their brains to the action "e-mail my report to Susan"—and it's just dying to get noticed. Below their conscious awareness, your employees begin to scan the environment for it. As a result, they will spot and seize the critical moment ("It's 2 PM on Friday") *even when busy doing other things*.

Once the "if" part of the plan is detected, the mind triggers the "then" part. People now begin to execute the plan without having to think about it. When the clock hits 2 on Friday afternoon, the hands automatically reach for the keyboard. Sometimes you're aware that you are following through. But the process doesn't have to be conscious, which means you and your employees can still move toward your goal while occupied with other projects.

This approach worked in controlled studies: Participants who created if-then plans submitted weekly reports only 1.5 hours late, on average. Those who didn't create them submitted reports eight hours late. (See the sidebar "Reaching Your Personal Goals.")

The if-then cue is really important—but so is specifying what each team member will do and when (and often where and how). Let's go back to the budgeting example. To make it easier for your team to execute the first step, developing a tentative budget for continuing operations, you might create if-then plans along these lines:

When it's Monday morning, Jane will detail our current expenses for personnel, contractors, and travel.

If it's Monday through Wednesday, Surani and David will meet with the managers in their groups to get input on resource needs.

When it's Thursday morning, Phil will write a report that synthesizes the numbers and the qualitative feedback.

When it's Friday at 2 PM, the management team will reassess priorities in light of Phil's report and agree on trade-offs.

Now there's less room for conflicting interpretations. The tasks and time frames are clearly outlined. Individuals know what they're accountable for, and so do the others in the group.

Does the if-then syntax feel awkward and stilted? It might, since it doesn't reflect the way we naturally express ourselves. But that's actually a good thing, because when we articulate our goals more "naturally," the all-important details of execution don't stick. The if-then construction makes people more aware and deliberate in their planning, so they not only understand but also complete the needed tasks.

Solving Problems That Plague Groups

Beyond helping managers get better results from their direct reports, if-then planning can address some of the classic challenges that groups face when working and making decisions together. Members often allow cognitive biases to obscure their collective judgment, for example, falling into traps such as groupthink and fixation on sunk costs. New findings suggest that if-then planning can offer effective solutions to this class of problems.

Groupthink. In theory, teams should be better decision makers than individuals, because they can benefit from the diverse knowledge and experience that each member brings. But they rarely capitalize on what each person distinctively has to offer. Rather than offering up unique data and insights, members focus on information that they all possess from the start. Many forces are at work here, but primary among them is the desire to reach consensus quickly and without conflict

Organizations squander enormous amounts of time, money, ideas, and talent in pursuit of poorly expressed goals.

Idea in Brief

THE PROBLEM

When groups set goals, they tend to make sweeping statements and omit details essential to execution. So even if people know what needs to be done, they often don't deliver.

THE SOLUTION

Use if-then planning to express organizational and team goals. This creates an explicit motivational link between the ideal situation for execution and the desired behavior, producing a powerful trigger for action.

THE RESEARCH

Though most if-then research focuses on individuals, recent studies show a positive effect on team performance as well. If-then plans sharpen groups' focus and help members get things done.

PLAN FOR THE UNEXPECTED

If-then planning is particularly useful for dealing with the inevitable bumps in the road—the unforeseen complications, the minor (and major) disasters, those moments when confusion sets in. Studies show that people who decide in advance how they will deal with such snags are much more resilient and able to stay on track.

Begin by identifying potential risks, focusing on those that seem the most likely. If the new project management software you purchased turns out to be buggy or the new review process you've implemented is too cumbersome, what will you do? If a major supplier goes out of business or has a factory fire, will you have sufficient reserves on hand?

To create contingency if-then plans, you identify what action to take should one of those risks turn into a reality. Suppose your business unit is market testing two new product lines. Rather than assume that at least one of them will merit further investment, make an if-then plan that allows for a less optimistic outcome. For instance: "When we have third-quarter sales figures in hand, Carol will calculate ROI and build a business case for next-phase funding."

by limiting the discussion to what's familiar to everyone.

Even when team members are explicitly told to share all relevant information with one another—and have monetary incentives to do so—they still don't. When people are entrenched in existing habits, paralyzed by cognitive overload, or simply distracted, they tend to forget to execute general goals like this.

Research by J. Lukas Thürmer, Frank Wieber, and Peter Gollwitzer conducted at the University of Konstanz demonstrates how if-then plans improve organizational decision making through increased information exchange and cooperation. In their studies, teams worked on "hidden profile" problems—which required members to share knowledge to identify the best solution. For instance, in one study, three-person panels had to choose the best of three job applicants. Candidate A was modestly qualified, with six out of nine attributes in his favor—but every panel member knew about all six attributes. Candidate B also had six attributes in his favor, but every panel member knew about three of them, and each had unique knowledge of one additional attribute. Candidate C, the superior candidate, had nine out of nine attributes in his favor, but each panel member received information about only three attributes. To realize that Candidate C had all nine, the members of a panel had to share information with one another.

All the panels were instructed to do so before coming to a final decision and were told that reviewing the bottom two candidates' positive attributes would be a good way to accomplish this. Half the panels made an if-then plan: "If we are ready to make a decision, then we will review the positive qualities of the other candidates before deciding." (All study participants knew that the if-then plans applied specifically to them—and that the task needed to be done at that moment—so they didn't spell out the who and the when as they would have in real life.)

A panel that focused only on commonly held information would choose Candidate A—one of the inferior candidates—reasoning that he had six attributes as opposed to Candidate B's four and Candidate C's three. A panel whose members broke free of groupthink and successfully shared information would realize that in fact Candidate C had all nine attributes and choose him instead.

Not surprisingly, panels that made no if-then plan chose the superior candidate only 18% of the time. Panels with if-then plans were much more likely to make the right decision, selecting the superior candidate 48% of the time.

Clinging to lost causes. Further studies by Wieber, Thürmer, and Gollwitzer show that if-then plans can help groups avoid another common problem: committing more and more resources to clearly failing projects. As the Nobel Laureate Daniel Kahneman and his collaborator Amos Tversky pointed out decades ago, we tend to chase sunk costs—the time, effort, and money that we have put into something and can't get back out. It's irrational behavior. Once your team realizes that a project is failing, previous investments shouldn't matter. The best you can do is try to make smart choices with what you have left to invest. But too often we stay the course, unwilling to admit we have squandered resources that would have been better spent elsewhere. Groups, especially, tend to hang in there when it would be best to walk away, sometimes doubling down on their losing wagers. And the more cohesive they are, the greater the risk.

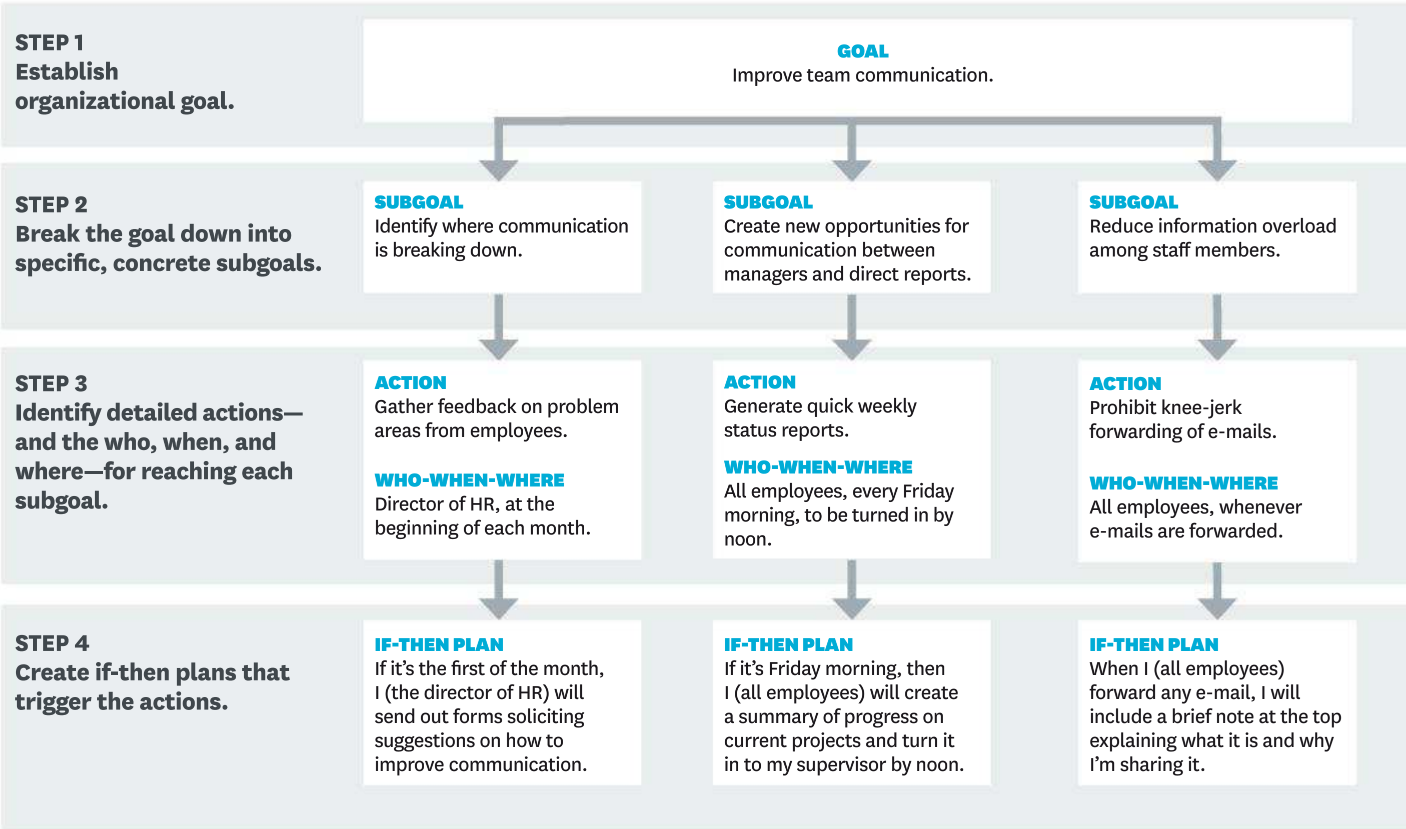
The dangers of identifying too much with one's team or organization are well documented: pressure to conform, for instance, and exclusion of atypical group members from leadership positions. When being a "good" team member is all that matters, groups often (implicitly or explicitly) discourage diverse ways of thinking, and they're loath to acknowledge their imperfections and errors of judgment. Hence the blind spot when it comes to sunk costs.

However, by taking the perspective of an independent observer, a group can gain the objectivity to scale back on its commitments to bad decisions or cut its losses altogether. In other words, by imagining that some other team made the initial investment, people free themselves up to do what's best in light of current circumstances, not previous outlays.

Wieber, Thürmer, and Gollwitzer hypothesized that if-then planning might be a particularly good tool for instilling this mindset, for two reasons. First, studies showed that if-then plans helped individuals change strategies for pursuing goals, rather than continue with a failing approach. Second, additional research by Gollwitzer demonstrated that making if-then plans helped people take an outsider's view (they assumed the per-

HOW TO DESIGN IF-THEN PLANS

This flowchart shows how to translate a high-level ambition (in this instance, better communication) into detailed plans for execution.



spective of a physician when seeing blood in order to reduce feelings of disgust).

To test the effectiveness of if-then plans in scaling back group commitments, a study led by Wieber put subjects into teams of three and asked them to make joint investment decisions. Each team acted as a city council, deciding how much to invest in a public preschool project. During phase one the groups received information casting the project in a very positive light, and they allocated funds accordingly. In phase two they received both positive and negative information: Construction had begun and a local store was donating materials, but the building union wanted a substantial raise and environmental activists had voiced concerns about the safety of the land. Rationally, the teams should have begun to decrease funding at this point, given the uncertainty of the project's success. Finally, in phase three, the groups received mostly negative information: Oil had been found in the sand pit, parents were outraged, and fixing the problems would be time-consuming and expensive. Further scaling back was clearly called for.

So what did the teams do? Those that had made no if-then plans showed the typical pattern of commitment. They slightly increased the percentage of budget allocated to the project from

Further Reading

ARTICLES

The Secrets of Great Teamwork

by Martine Haas and Mark Mortensen

HBR, June 2016
Product no. R1606E

Even as teams grow more diverse, dispersed, digital, and dynamic—making collaboration ever more complex—their success remains dependent on a core set of fundamentals: a compelling direction, a strong structure, and a supportive context. To those "enabling conditions" the authors add a new one, a shared mindset, and describe how leaders can establish these four foundations of success.

Speeding Up Team Learning

by Amy Edmondson, Richard Bohmer, and Gary Pisano

HBR, October 2001
Product no. R0109J

The challenge for team management today is implementing new processes and technology as quickly as possible. By studying cardiac surgical teams, the authors discovered three team characteristics that are vital for successfully meeting that challenge.

The if-then construction makes people more aware and deliberate in their planning; they understand and complete the needed tasks.

phase one to phase three. In contrast, teams with if-then plans ("If we make a decision, we will take the perspective of a neutral observer that was not responsible for any prior investments") reduced their investments from phase one to phase three by 13%, on average.

WHEN TEAMS or organizations set goals, they tend to use sweeping, abstract language. But it's easier to frame your plans in if-then terms if you first break them down into smaller, more concrete subgoals and then identify the actions required to reach each subgoal. (See the exhibit "How to Design If-Then Plans.")

If you were trying to improve your team's communication, for example, you might set "Reduce information overload among staff members" as one subgoal. And after some brainstorming, you might decide to accomplish that by asking members who are forwarding any e-mail to explain up front why they're doing so. (The rationale: People will be more selective about what they pass along if they have to provide a reason.) The if-then plan for each team member would be "If I forward any e-mail, I'll include a brief note at the top describing what it is and why I'm sharing it." One manager I spoke with found that this if-then plan put an immediate end to the knee-jerk forwarding that had clogged everyone's in-box with unnecessary information. It also increased the value of the e-mails that people did forward.

Specifying the who, when, and where is an ongoing process, not a onetime exercise. Ask team members to review their if-then plans regularly. Studies show that rehearsing the if-then link can more than double its effectiveness. It also allows groups to periodically reassess how realistic their plans are. Is anything harder or taking longer than expected? Are there steps that the team didn't plan for? If circumstances change, your if-then plans need to change, too—or they won't have the desired impact.

Though the research on if-then planning for teams and organizations is relatively new, the early results are promising, and social psychologists are examining several uses and benefits. (For instance, I'm studying whether it can be used to shift group mindsets from what I call "be good" thinking to "get better" thinking that fosters continuous improvement.) What's already becoming clear is that if-then planning helps groups frame their goals in a way that's achievable, providing a bridge between intentions and reality. It enables them to do more of what they mean to—and do it better—by fostering ownership and essentially reprogramming people to execute.

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Turning Goals into Results
The Power of Catalytic Mechanisms

If you need help transforming your organization's wildest dreams into reality, introduce a new managerial device that's as simple as it is effective. by Jim Collins

MOST EXECUTIVES have a big, hairy, audacious goal. One dreams of making his brand more popular than Coke; another aspires to create the most lucrative Web site in cyberspace; yet another longs to see her organization act with the guts necessary to depose its archrival. So, too, most executives ardently hope that their outsized goals will become a reality. To that end, they write vision statements, deliver speeches, and launch change initiatives. They devise complicated incentive programs, formalize rules and checklists, and pen policies and procedures. In other words, with the best intentions, they create layer upon layer of stultifying bureaucracy. Is it any surprise that their wildly ambitious dreams are seldom realized?

But companies don't have to act that way. Over the past six years, I have observed and studied a simple yet extremely powerful managerial tool that helps organizations turn goals into results. I have recently codified it; I call it the *catalytic mechanism*. Catalytic mechanisms are the crucial link between objectives and performance; they are a galvanizing, nonbureaucratic means to turn one into the other. Put another way, catalytic mechanisms are to visions what the central elements of the U.S. Constitution are to the Declaration of Independence—devices that translate lofty aspirations into concrete reality. They make big, hairy, audacious goals reachable.

My research indicates that few companies—perhaps only 5% or 10%—currently employ catalytic mechanisms, and some of them aren't even aware that they do. I have also found that catalytic mechanisms are relatively easy to create and implement. Given their effectiveness, they are perhaps the most underutilized—and most promising—devices that executives can use to achieve their big, hairy, audacious goals, or BHAGs. (For more on BHAGs, see the sidebar "Anatomy of a BHAG.")

Consider Granite Rock, a 99-year-old company in Watsonville, California, that sells crushed gravel, concrete, sand, and asphalt. Twelve years ago, when brothers Bruce and Steve Woolpert became copresidents, they gave their company a new BHAG. Granite Rock would provide total customer satisfaction and achieve a reputation for service that met or exceeded that of Nordstrom,

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the upscale department store that is world-famous for delighting its customers. Not exactly a timid goal for a stodgy, family-owned company whose employees are mostly tough, sweaty people operating rock quarries and whose customers—mainly tough, sweaty construction workers and contractors—are not easily dazzled.

Now stop and think for a minute: What would it take to actually reach such an ambitious goal? Most people automatically think of galvanizing leadership. But that wasn't an option for Granite Rock, as the Woolperts are a quiet, thoughtful, and bookish clan. Nor did the answer lie in hosting hoopla events or launching grand customer service initiatives. The brothers had seen such efforts at other companies and believed they had little lasting effect.

They chose instead to implement a radical new policy called "short pay." The bottom of every Granite Rock invoice reads, "If you are not satisfied for any reason, don't pay us for it. Simply scratch out the line item, write a brief note about the problem, and return a copy of this invoice along with your check for the balance."

Let me be clear about short pay. It is not a refund policy. Customers do not need to return the product. They do not need to call and complain. They have complete discretionary power to decide whether and how much to pay based on their satisfaction level.

To put the radical nature of short pay in perspective, imagine paying for airline tickets after the flight and having the power to short pay depending on your travel experience—not just in the air, but during ticketing and deplaning as well. Or suppose universities issued tuition invoices at the end of the semester, along with the statement, "If you are not satisfied with the dedication of the professor in any course, simply scratch out that course and send us a tuition check for the balance." Or suppose your cell phone bill came with a statement that said, "If you are not satisfied with the quality of connection of any calls, simply identify and deduct those from the total and send a check for the balance."

In the years since it was instituted, short pay has had a profound and positive impact on Granite Rock. It serves as a warning system, providing hard-to-ignore feedback about the quality of service and products. It impels managers to relentlessly track down the root causes of problems in order to prevent repeated short payments. It signals to employees and customers alike that Granite Rock is dead serious about customer satisfaction in a way that goes far beyond slogans. Finally, it keeps Granite Rock from basking in the glory of its remarkable success.

And it has had success, as has been widely reported. The little company—it has only 610 employees—has consistently gained market share in a commodity business dominated by behemoths, all the while charging a 6% price premium. It won the prestigious Malcolm Baldrige National Quality Award in 1992. And its financial performance has significantly improved—from razor-thin margins to profit ratios that rival companies like Hewlett-Packard, which has a pretax return of roughly 10%. No doubt, short pay was a critical device for turning the Woolpert brothers' BHAG into a reality.

Five Parts of a Whole

Obviously, not every company should institute short pay. Rather, companies should have catalytic mechanisms as powerful as short pay. What, then, is the difference between a catalytic mechanism and most traditional managerial devices, such as a company's hiring and compensation policies? Catalytic mechanisms share five distinct characteristics. (See the chart "Catalytic Mechanisms: Breaking from Tradition.") Let's look at them in turn.

Characteristic 1: A catalytic mechanism produces desired results in unpredictable ways. When executives identify a bold organizational goal, the first thing they usually do is design a plethora of systems, controls, procedures, and practices that seem likely to make it happen. That

Catalytic mechanisms are the most promising devices executives can use to achieve their big, hairy, audacious goals.

process is called alignment, and it's wildly popular in the world of management, among business academics and executives alike. After all, alignment makes sense. If you want to make your brand more popular than Coke, you had better measure the effectiveness of advertising and reward successful marketing managers with big bonuses. But the problem, as I've said, is that the controls that undergird alignment also create bureaucracy, and it should be news to no one that bureaucracy does not breed extraordinary results.

Don't get me wrong. Bureaucracy may deliver results, but they will be mediocre because bureaucracy leads to predictability and conformity. History shows us that organizations achieve greatness when people are allowed to do unexpected things—to show initiative and creativity, to step outside the scripted path. That is when delightful, interesting, and amazing results occur.

Take 3M. For decades, its executives have dreamed of having a constant flow of terrific new products. To achieve that end, in 1956, the company instituted a catalytic mechanism that is by now well known: scientists are urged to spend 15% of their time experimenting and inventing in the area of their own choice. How very unbureaucratic! No one is told what products to work on, just how much to work. And that loosening of controls has led to a stream of profitable innovations, from the famous Post-it Notes to less well-known examples such as reflective license plates and machines that replace the functions of the human heart during surgery. 3M's sales and earnings have increased more than 40-fold since instituting the 15% rule. The mechanism has helped generate cumulative stock returns 36% in excess of the market and has earned the company a frequent ranking in the top ten of *Fortune*'s most-admired list.

In a happy coincidence, the variation sparked by catalytic mechanisms forces learning to occur. Suppose you set out to climb the 3,000-foot sheer rock face of El Capitan in Yosemite Valley. Once you pass pitch 15, you cannot possibly retreat from your particular route: you are, by dint of nature, 100% committed. Although you can't predict *how* you will overcome the remaining pitches—you have to improvise as you go—you can predict that you will invent a way to the top. Why? Because the reality of having no easy retreat forces you to reach the summit. Catalytic mechanisms have the same effect. Granite Rock's short pay commits the company to achieving complete customer satisfaction. Every time a customer exercises short pay, Granite Rock learns or invents a way to run its operations more effectively. Ultimately, such new knowledge leads to better results, making the catalytic mechanism part of a virtuous circle of variation, learning, improvement, and enhanced results.

My "red flag" device also illustrates that circle. When I first began teaching Stanford MBA students by the case method in 1988, I noticed that a small number of them tended to dominate the discussion. I also noticed that there was no correlation between the degree of vocal aggressiveness and how much these students improved the class's overall learning experience. Some vocal students had much to contribute; others just liked to hear themselves talk. Worse, I noticed when chatting with students after class that some of the quieter individuals had significant contributions but were selective or shy about sharing them. Furthermore, seeing 15 to 20 hands raised at a time, I had no way of knowing which one represented a truly significant insight, and I sensed that I was frequently missing some students' one best contribution for the entire quarter.

I solved that problem by giving each student an 8.5-inch-by-11-inch bright-red sheet of paper at the beginning of every quarter. It had the following instructions: "This is your red flag for the quarter. If you raise your hand with your red flag, the classroom will stop for you. There are no restrictions on when and how to use your red flag; the decision rests entirely in your hands. You can use it to voice an observation, share a personal experience, present an analysis, disagree with the professor, challenge a CEO guest, respond to a fellow student, ask a question, make a suggestion, or whatever. There will be no penalty whatsoever for any use of a red flag. Your red flag can be used only once during the quarter. Your red flag is nontransferable; you cannot give or sell it to another student."

I had no idea precisely what would happen each day in class. And yet, the red flag device quickly created a better learning experience for everyone. In one case, it allowed a very thoughtful and quiet student from India to challenge Anita Roddick on the Body Shop's manufacturing practices in the third world. Roddick, a charismatic CEO with ferociously held views, usually dominates any discussion. The red flag forced her to listen to a critic. The spirited interchange between these two passionate and well-informed people produced more learning than anything I could have scripted.

Idea in Brief

THE CHALLENGE

Many change programs trumpet their arrival with well-known big, hairy, audacious goals (BHAGs). But just as many get stuck at the first hurdle to meeting those goals—mobilizing the organization away from the status quo.

THE IDEA

Catalytic mechanisms help catapult organizations over that hurdle. These simple yet powerful tools enable companies to propel commitment levels past the point of no return. They are galvanizing, nonbureaucratic means of turning visions into reality, usually involving a redistribution of power.

HOW IT WORKS

Short pay is a defining example of a catalytic mechanism. Granite Rock mobilized its employees to feverish levels of performance improvement with a simple but radical policy: inviting customers who were not completely satisfied to reduce their invoice payment—without returning product.

Of course, short pay is not appropriate for every company, but other catalytic mechanisms wielding that much power definitely are.

ANATOMY OF A BHAG

In our research for *Built to Last,* Jerry Porras and I discovered that most enduring great companies set and pursue BHAGs (pronounced BEE-hags and shorthand for big, hairy, audacious goals). There are three key characteristics of a good BHAG:

1. It has a long time frame—ten to 30 years or more. The whole point of a BHAG is to stimulate your organization to make changes that dramatically improve its fundamental capabilities over the long run. Citicorp's first BHAG, set in 1915—to become the most powerful, the most serviceable, the most far-reaching world financial institution ever—took more than five decades to achieve. Its new BHAG, set in the early 1990s—to attain 1 billion customers worldwide—will require at least two decades to achieve. (Today it has less than 100 million.) BHAGs with short time frames can lead executives to sacrifice long-term results for the sake of achieving a short-term goal.

2. It is clear, compelling, and easy to grasp. The goal in a good BHAG is obvious, no matter how you phrase it. For example, Philip Morris's BHAG, set in the 1950s—to knock off R.J. Reynolds as the number one tobacco company in the world—didn't leave much room for confusion. I call this the "Mount Everest standard." The goal to climb Mount Everest can be said as "Climb the most famous mountain in the world" or "Climb the biggest mountain in the world" or "Climb the mountain at 87 degrees east, 28 degrees north" or "Climb the mountain in Nepal that measures 29,028 feet" or hundreds of other ways. If you find yourself spending countless hours tinkering with a statement, you don't yet have a BHAG.

3. It connects to the core values and purpose of the organization. The best BHAGs aren't random; they fit with the fundamental core values and reason for being of the company. For example, Nike's BHAG in the 1960s—to crush Adidas—fit perfectly with Nike's core purpose "to experience the emotion of competition, winning, and crushing competitors." Sony's BHAG in the 1950s—to become the company most known for changing the worldwide poor-quality image of Japanese products—flowed directly from its stated core value of elevating the Japanese culture and national status.

This last criterion connects back to the reason for having a BHAG in the first place. It is a powerful way to stimulate progress—change, improvement, innovation, renewal—while simultaneously preserving your core values and purpose. It is this remarkable ability to blend continuity with change that separates enduring great companies from merely successful ones. The trick, of course, is not just to set a BHAG but to achieve it, and therein lies the power of catalytic mechanisms.

Without the red flag, we would have just had another session of "I'm CEO and let me tell you how it is."

In another situation, a student used her red flag to state, "Professor Collins, I think you are doing a particularly ineffective job of running class today. You are leading too much with your questions and stifling our independent thinking. Let us think for ourselves." That was a tough moment for me. My BHAG as a professor was to create the most popular class at the business school while imposing the highest workload and the stiffest daily standards. The red flag system confronted me with the fact that my own questioning style stood in the way of my dream—but it also pointed the way to improvement, again, to everyone's benefit.

Interestingly, no other professors on campus adopted the red flag. One of them told me, "I can't imagine doing that. I mean, you never know what might happen. I could never give up that much control in my classroom." What he and others missed was a great paradox: by giving up control and decreasing predictability, you increase the probability of attaining extraordinary results.

Characteristic 2: A catalytic mechanism distributes power for the benefit of the overall system, often to the great discomfort of those who traditionally hold power. With enough power, executives can always get people to jump through hoops. If it is customer service they are after, for instance, they can threaten dismissal to coerce salespeople to smile and act friendly. If they seek higher profits per store, they can pay employees according to flow-through. And if increased market share is the dream, they can promote only those managers who make it happen.

But consider how catalytic mechanisms work. Short pay distributes power to the customer, to the great discomfort of Granite Rock's executives, but toward the greater goal of continuous improvement for the benefit of customers and company alike. The red flag distributes power to the students, to the great discomfort of the teacher, but to the ultimate improvement of learning in general. The founders of the United States understood this point when they wrote the Constitution. After all, the Constitution is the set of catalytic mechanisms that reinforce and support the national vision. Voting, the system of checks and balances, the two-thirds vote to amend, the impeachment process—these disperse power away from one central source, to the great discomfort of those who seek power, but to the benefit of the overall nation.

Catalytic mechanisms force the right things to happen even though those in power often have a vested interest in the right things *not* happening. Or they have a vested interest in inertia—letting pointless, expensive practices stay in place. That's what happened for years, perhaps decades, at U.S. Marine recruit depots. All recruits are issued a uniform on their first day. Two weeks later, they need another—the pounds melt away when you run 12 miles every dawn. The military's rules required those two-week-old uniforms to be destroyed. Not washed and reissued, but destroyed.

In the early 1990s, Phil Archuleta, a materials manager at a recruiting depot in San Diego, suggested that they reuse the uniforms. His boss's response: "No. It's against regulations. Forget about it." So in a fabulous act of insubordination, Archuleta washed the uniforms, hid them in boxes, and bided his time until he finally got a supervisor willing to challenge the regulation.

In an effort to empower the Phil Archuletas of the world, the government launched a wide-ranging initiative in 1994 to fix its bureaucratic quagmire. A new rule regarding waivers was put in place, and it is a catalytic mechanism that exemplifies the beauty and power of redistributing power. It has two primary components:

- Waiver-of-regulation requests must be acted upon within 30 days. After 30 days, if no answer is forthcoming, the party asking for the waiver can *assume approval* and implement the waiver.
- Those officials who have the authority to change regulations can approve waiver requests, but *only the head of an agency can deny* a request.

Think for a minute about the impact of this catalytic mechanism. It subverts the default, knee-jerk tendency of bureaucracies to choose inaction over action, status quo over change, and idiotic rules over common sense. Supervisors can no longer say no or not respond. They would have to champion a no all the way to the head of their agency—the equivalent of the head commandant of the entire U.S. Marine Corps—within 30 days. Instead of having to go out of their way to demonstrate why it is a good idea, they would have to expend great energy to prove that it is a *bad* idea. The catalytic mechanism tilts the balance of power away from inertia and toward change.

Indeed, the primary effect of the new waiver rule—as with all catalytic mechanisms—is to give people the freedom to do the right thing. The waiver that allowed Archuleta to change the regulation on uniforms created a savings of half a million dollars in two years. Similar examples of people doing the right thing with the waiver rule abound throughout the federal government, from the FDA to NASA. Tort claims adjusters in the Department of Agriculture, for instance, waived regulations to reduce processing time of claims from 51 days to eight days—a manpower savings of 84%. When executives vest people with power and responsibility and step out of the way, vast reservoirs of energy and competence flow forth. Again we have a paradox: the more executives disperse power and responsibility, the more likely the organization is to reach its big, hairy, audacious goal.

Characteristic 3: A catalytic mechanism has teeth. Lots of companies dream of total customer satisfaction; few have a device for making it happen that has the teeth of short pay. Plenty of organizations state the lofty intention to empower people; few translate that into results with a mechanism that has the teeth of the red flag. Many companies state that they intend to "become number one or number two in every competitive arena"; few have added an effective means of enforcement by saying, "and if the business is not number one or number two, or on a clear trajectory to get there, *we will exit within three months.*"

The fact is, executives spend hours drafting, redrafting, and redrafting yet again statements of core values, missions, and visions. This is often a very useful process, but a statement by itself will not accomplish anything. By contrast, a catalytic mechanism puts a process in place that all but guarantees that the vision will be fulfilled. A catalytic mechanism has a sharp set of teeth.

Consider the case of Nucor Corporation, the most successful U.S. steel company of the last three decades. It has a unique vision for a Rust Belt company: to be an organization whose workers and management share the common goal of being the most efficient, high-quality steel operation in the world, thereby creating job security and corporate prosperity in an industry ravaged by foreign competition. Behind that vision lies the belief held deeply by Nucor's senior leaders that decent, hard-working people should be well paid for their efforts and, so long as they are highly productive, that they need not worry about job security.

Catalytic mechanisms subvert the default knee-jerk tendency of bureaucracies to choose status quo over change.

On the surface, Nucor's vision may sound warm and fuzzy. Dig deeper, and you'll see that it actually leaves no room for unproductive employees. Nucor has created a culture of intense productivity whereby five people do the work that ten do at other steel companies, and get paid like eight. The vision came to life through a series of powerful catalytic mechanisms with teeth, such as the way frontline workers get paid:

- Base hourly pay is 25% to 33% below the industry average.
- People work in teams of 20 to 40; team-productivity rankings are posted daily.
- A bonus of 80% to 200% of base pay, based on *team* productivity, is paid weekly to all teams that meet or exceed productivity goals.
- If you are five minutes late, you lose your bonus for the day.
- If you are 30 minutes late, you lose your bonus for the week.
- If a machine breaks down, thereby stopping production, there is no compensating adjustment in the bonus calculation.
- If a product is returned for poor quality, bonus pay declines accordingly.

You might be thinking that the Nucor system concentrates power in the hands of management, which would seem to contradict the idea of distributing power for the sake of the system. But in fact, the catalytic mechanism actually takes the power out of the hands of individual managers and their whims. Nucor has no discretionary bonuses. It's more like a sports bonus system: if you score so many points or win a certain number of races, you get a bonus based on a predetermined formula. Period. That formula gives workers more power over their own destiny than bonus programs that give large discretionary power to management. If your team scores the points, your team gets the bonus, and no manager can take it away, citing, "We're just not having a very good year" or "I don't like your attitude."

Nucor's catalytic mechanisms for managers, incidentally, have even sharper teeth. Its executive compensation system works very much like its worker compensation system, except that the "team" is the entire plant (for plant managers) or the entire company (for corporate officers). And, unlike most companies, when times are bad, Nucor's executives assume greater pain than frontline workers: workers' pay drops about 25%, plant managers' pay drops about 40%, and corporate officers' pay drops about 60%. In the 1982 recession, CEO Ken Iverson's pay dropped 75%.

Characteristic 4: A catalytic mechanism ejects viruses. A lot of traditional controls are designed to get employees to act the "right" way and do the "right" things, even if they are not so inclined. Catalytic mechanisms, by contrast, help organizations to get the right people in the first place, keep them, and eject those who do not share the company's core values.

Great organizations have figured something out. The old adage "People are your most important asset" is wrong; the *right* people are your most important asset. The right people are those who would exhibit the desired behaviors anyway, as a natural extension of their character and attitude, regardless of any control and incentive system. The challenge is not to train all people to share your core values. The real challenge is to find people who already share your core values and to create catalytic mechanisms that so strongly reinforce those values that the people who don't share them either never get hired or, if they do, they self-eject.

Let's return to the Nucor example. Nucor doesn't try to make lazy people productive. Its catalytic mechanisms create a high-performance environment in which those with an innate work ethic thrive and free riders get out in a hurry. Management usually doesn't fire unproductive workers; *workers* do. In one case, team members chased a lazy coworker out of the plant. And one reporter writing a story on Nucor described showing up for a shift on time but thinking he was late because all the workers had been there for 30 minutes arranging their tools and getting ready to fire off the starting line precisely at 7:00 AM.

Interestingly, Nucor sets up its mills not in traditional steel towns, but primarily in rural, agricultural areas. The thinking is simple: you can't teach the work ethic—either a person has it or he doesn't. But you can teach steel making. That's why Nucor hires farmers and trains them. The company's catalytic mechanisms wouldn't have it any other way.

Another example of a catalytic mechanism ejecting viruses comes from W.L. Gore & Associates, a fabric company worth nearly $2 billion. Bill Gore founded the company in 1958 with the vision of creating a culture of natural leadership. Leadership, in Gore's view, could not be assigned or bestowed by hierarchical position. You are a leader

CATALYTIC MECHANISMS: BREAKING FROM TRADITION

Catalytic mechanisms share five distinct characteristics that distinguish them from traditional controls.

A traditional managerial device, control, or mechanism…	A catalytic mechanism…	Examples of catalytic mechanisms
reduces variation as it enlarges the organization's bureaucracy.	produces desired results in unpredictable ways.	The red flag made a ferociously opinionated CEO listen to the challenge of an MBA student—improving the knowledge of the whole class, despite the unexpected nature of the exchange.
concentrates power in the hands of authorities who can force people to obey their commands.	distributes power for the benefit of the overall system, often to the great discomfort of those who traditionally hold power.	A new government rule allowed a low-level manager to expunge an immensely wasteful regulation that required nearly new uniforms to be burned.
is understood by employees and executives alike as merely an intention.	has a sharp set of teeth.	Short pay at Granite Rock allows customers to pay only for the products that satisfy them.
attempts to stimulate the right behaviors from the wrong people.	attracts the right people and ejects viruses.	At W.L. Gore & Associates, employees can, in effect, fire their bosses, ensuring non-hierarchical leadership.
has the short-lived impact of a single event or a fad.	produces an ongoing effect.	Kimberly-Clark knowingly put itself into head-to-head competition with Procter & Gamble to impel better performance in the consumer goods marketplace. Such a strategy is still working 30 years later.

if and only if people choose to follow you. Gore's theory sprang not just from his personal values but also from his business sense: he thought that the most creative and productive work came when people freely made commitments to one another, not when bosses told them what to do.

To turn his vision into reality, Gore invented a catalytic mechanism that attracted the right people like a magnet and scared away the others. At W.L. Gore & Associates, employees have the authority to fire their bosses. Now, they can't fire the person from the company but, if they feel their boss isn't leading them effectively, they can simply bypass him or her and follow a different leader.

Who would want to work at such a company? Exactly the people who belong there—people who know they can lead without the crutch of a formal position or title and who believe in the philosophy of nonhierarchical leadership. Who would avoid it like the plague? Anyone who gets giddy pulling the levers of position and power just for the pulling's sake. And if you're a hierarchical leader who happens to make it through the company's door but can't quickly shake the notion that "the boss has to be the boss," it won't take you long to find the exit.

Characteristic 5: A catalytic mechanism produces an ongoing effect. Catalytic mechanisms differ fundamentally from catalytic events. A rousing speech to the troops, an electrifying off-site meeting, a euphoria-producing new buzzword, a new initiative or strategic imperative, an impending crisis—all of these are catalytic events, and some are useful. But they do not produce the persistent, ongoing effect of catalytic mechanisms. In fact, a good catalytic mechanism, as long as it evolves, can last for decades, as the 15% rule at 3M and the impeachment mechanism in the Constitution illustrate.

The lack of catalytic mechanisms is one reason many organizations rally in a crisis but languish once the crisis has passed. Leaders who feign a crisis—those who create a burning platform without simultaneously building catalytic mechanisms—do more long-term harm than good by creating a syndrome of crisis addiction. Executives who rely only on catalytic events are left wondering why the momentum stalls after the first phase of euphoria, excitement, or fear has passed. To produce lasting results, they must shift from orchestrating a series of events to building catalytic mechanisms.

Take, for example, the decades of ineffectual attempts to reform public education in the United States. Part of the failure lies in the approach to reform; too often it is based on onetime events and fashionable buzzwords rather than on catalytic mechanisms that produce sustained effects. As Roger Briggs, a high school teacher in Boulder, Colorado, wrote in an essay on school reform: "Every year we get a new program or fad. And they never really work. And we teachers eventually just learn to ignore them, smile, and go about our business of teaching."

Now take a look at what happened when the state of Texas started using a catalytic mechanism in 1995: comparison-band ranking of schools, which is directly tied to resource allocation and, in some cases, school closures. The ongoing effect of this device forced the momentum of reform forward. Why? Well, if you rank fifth out of 40 schools but you just sit still, you'll drop in the ratings. Sit still long enough, and you'll eventually rank 35th rather than fifth, and you may face closure. Because every school is ranked on the same criteria, the bar for performance keeps rising. Within four years of installing the mechanism, student achievement in Texas improved across the board. The percentage of students who passed the Texas math skill exam, for example, rose from roughly half to 80%, and the share of black and Hispanic students who passed doubled to 64% and 72%, respectively.

And consider the ongoing impact of a good catalytic mechanism in a more corporate setting. Darwin Smith, former CEO of Kimberly-Clark, created in 1971 the BHAG to transform Kimberly-Clark from a mediocre forest- and paper-products company into a world-class consumer goods company. At the time, Wall Street analysts scoffed at the idea, as did most of Kimberly-Clark's competitors. Smith was undeterred. He created one catalytic event and one equally important catalytic mechanism. For the first, he sold a big chunk of the company's traditional paper-production mills, thus leaving no easy escape route from the dream. For the second, he committed the company to head-to-head competition with the best consumer-products company in the world: Procter & Gamble. With its entry into disposable diapers, Kimberly-Clark would henceforth be a direct rival of P&G. Kimberly-Clark would either become excellent at consumer products or get crushed. The beauty of this catalytic mechanism is that, unlike

The old adage "People are your most important asset" is wrong. The *right* people are your most important asset.

the "change or die" ranting all too common among modern executives, its ongoing effect is as powerful today as when it was first put in place nearly 30 years ago.

Getting Started

This is not intended to be a how-to article; my main objective has been to introduce the concept of catalytic mechanisms and demonstrate how they have helped some companies—and individuals—turn their BHAGs into reality. (For more on the personal use of catalytic mechanisms, see the sidebar "Not for Companies Only.") Nonetheless, my research suggests that there are a few general principles that support the process of building catalytic mechanisms effectively.

Don't just add, remove. When pursuing BHAGs, our natural inclination is to add—new initiatives, new systems, new strategies, new priorities, and now, new catalytic mechanisms. But in doing so, we overwhelm ourselves. Isn't it frightening that the new version of the Palm Pilot has space for 1,500 items on its to-do list? Sadly, few of us have a "stop doing" list. We should, because to take something away—to unplug it—can be as catalytic as adding something new.

Take the case of a circuit division at Hewlett-Packard. It had tried countless programs and initiatives to reach its BHAG of becoming "a place where people would walk on the balls of their feet, feel exhilarated about their work, and search for imaginative ways to improve and innovate everything we do." The events produced short-term results—a moment of sparkle and excitement—but within a month or two, the division always drifted back into its sleepy, humdrum mode.

Then its executives considered the question, "What policies should we remove?" For most of its history, the division had comfortably lived off a captive internal market. What if HP's divisions were allowed to buy their components from outside competitors? Never again would the circuit division have fat internal orders just handed to it. Never again could it just sit still. Two months, four months, a year, five years, and ten years down the road—fierce competitors would still be there, constantly upping the ante. The prospect was both terrifying and exhilarating. Managers decided to unplug the "buy internal" requirement and open the doors to free-market competition.

Within weeks, the circuit division was well on its way to realizing its BHAG. You could sense a completely different environment the moment you walked in the door. The place hummed with activity, and its performance showed it.

Create, don't copy. Creating mechanisms is exactly that: a creative act. You can, of course, get good ideas by looking at what other organizations do, but the best catalytic mechanisms are idiosyncratic adaptations, if not wholesale creations, for a unique situation.

Because catalytic mechanisms require fresh ideas, it makes sense to invite all members of an organization to participate in their creation. Everyone. Certainly, some mechanisms require input from senior executives, like short pay at Granite Rock. Yet many of the best catalytic mechanisms were not created by top management. The idea for the federal government's waiver rule, for example, originated with two staff members—Lance Cope and Jeff Goldstein. They were working in the national reinvention labs, and neither had direct authority over any federal agency.

Allow me also to use a personal example. Part of my professional vision is to contribute through teaching and to harness my curiosity and passion for learning in ways that make a positive impact on the world. From that goal flows the imperative that I allocate time primarily to research, writing, and teaching and limit consulting work only to those situations in which I can contribute as a teacher.

To reinforce that imperative, I have created two catalytic mechanisms: the "come to Boulder rule" and the "four-day rule." The first rule states that I will not engage in a direct advisory relationship with any organization unless the chief executive agrees to travel to my Boulder research laboratory. Executives spend huge sums of money on

NOT FOR COMPANIES ONLY

My research has focused on the impact of catalytic mechanisms in organizational settings—on how they can turn a company's most ambitious goals into reality. But catalytic mechanisms can also have a powerful impact on individuals. Indeed, I have made catalytic mechanisms a fundamental part of how I manage my time, with my "come to Boulder rule" and "four-day rule."

I am not alone. Several of my former students at Stanford Business School have applied a catalytic mechanism to reach their goals. In one case, a student emerged from his courses on entrepreneurship fired up by the idea of forgoing the traditional path and striking out on his own. But as time passed and he felt the crushing burden of school debt as well as the lure of lucrative job offers, his personal vision waned. He took a job at a large, established disc drive manufacturer and promised himself, "I'm going to launch out on my own in five years when I've paid off all my school debts."

In most cases, such dreams fade as the years go by—with the advent of cars, houses, children, and all the rest. My former student, however, implemented an interesting catalytic mechanism to keep his vision alive. He drafted a resignation letter and dated it five years out. Then he gave copies of the letter to a handful of reliable people, along with the following instructions, "If I don't leave my job and launch out on my own by the specified date, then send the letter in for me." His plan worked. In 1996, I received an e-mail from him that described how he saved his money and spent his off-hours developing his entrepreneurial options. Then, right on schedule, he quit his secure job and launched a fund to buy and run his own company.

In another case, a former student created a personal board of directors composed of people he admires and would not want to disappoint, and he made a personal commitment to follow the board's guidance—it has power in his life. In 1996, he wrote me: "I recently used my personal board in deciding whether to leave Morgan Stanley and go to work with a friend in his two-year-old business. 'Yes' was the unanimous vote." So despite the risk of leaving a lucrative and prestigious position, he leapt into the small company, which has since grown fourfold to employ more than 80 people.

Consider also the highly effective catalytic mechanism that a colleague of mine has been using for the past three years to attain her BHAG: to lead a full and active life as a mother, wife, professional writer, and church volunteer, without going crazy. That part about maintaining sanity is important because before her catalytic mechanism was in place, my colleague constantly found herself overextended and miserable. The main culprit was her work as a freelance writer: she accepted too many jobs. "Even if we didn't need the money, I would still take on every project that came my way," she recalls. "Maybe because my family was so poor when I was growing up, I just found it impossible to leave money on the table." Not surprisingly, the woman's children paid the price of her constant working, as did her husband and close-knit extended family. "Either I was too exhausted to see people or else I was calling them for a baby-sitting favor," she says.

One day, my colleague was lamenting her situation to her sister, who came up with an effective catalytic mechanism. Every time the woman took on work beyond a certain level of revenue—a comfortable annual salary, in essence—she would pay her sister a $200-a-day penalty fee. My colleague, instantly seeing the wonderful impact of the plan, immediately agreed.

Since she redistributed power to her sister, my colleague has gained new control over her life. Now she happily accepts jobs up to a certain level of income, but she assesses each additional offer with newly critical eyes. (She has taken on extra work on only two occasions; both projects were too lucrative to pass up.) Indeed, the catalytic mechanism has so freed my colleague from overwork that she has taken on a new role as a volunteer at her children's school. With its undeniable bite, my colleague's catalytic mechanism will have an ongoing effect as long as she honors it. And given its results, she plans to do so for a long time.

Would any of these people have changed their lives without catalytic mechanisms? Perhaps, but I think it less likely. Personal catalytic mechanisms have all the benefits of organizational mechanisms: they put bite into good intentions, dramatically increasing the odds of actually being true to your personal vision instead of letting your dreams remain unrealized.

consultants, but money doesn't equal commitment—if you have a big enough budget, invoices just don't hurt. Yet all chief executives, no matter how large their budgets, have only 24 hours in a day. If a CEO flies all the way to Boulder, he or she has demonstrated commitment to serious discussions and hard work, and the likelihood that I will make a significant impact as a teacher increases exponentially. Most important, those not committed to real (and perhaps uncomfortable) change eject right up front.

The second mechanism—my four-day rule—states that any given organization has an upper limit of four days of my advisory time in a year. The most lasting impact comes by teaching people how to fish, not by fishing for them. Organizations that want an adviser to fish for them self-eject through this catalytic mechanism. Admittedly, these are highly unusual devices, and they would be disastrous for most consulting firms that depend on continuous growth to feed their machine. Yet they are perfectly designed for a strategy aimed at explicitly *not* building a large consulting business. They are unique to me, as all catalytic mechanisms should be to their creators.

Use money, but not only money. The examples in this article may lead you to believe that most catalytic mechanisms use money. But, in fact, when my research colleague Lane Hornung cataloged my database of catalytic mechanisms, he found that only half do. That might surprise some people—in particular those who ascribe to the old saw that money is the best motivator. I'm not going to claim that money doesn't impel people toward desired results; money can add teeth to any catalytic mechanism. But to rely entirely on money reflects a shallow understanding of human behavior.

The U.S. Marine Corps illustrates my point precisely. The Corps builds extraordinary commitment through a set of catalytic mechanisms that create intense psychological bonds among its members. By isolating recruits at boot camps and creating an environment where recruits survive only by relying upon one another, the Corps triggers the deep human drive, hardwired into most of us, to support and protect those we consider family. Most people will not risk their lives for a year-end bonus, but they will go to great lengths to earn the respect and protect the well-being of their comrades.

William Manchester, who returned to his unit on Okinawa after receiving a wound that earned him a Purple Heart, eloquently describes the psychology of commitment in his book *Goodbye Darkness:*

> And then, in one of those great thundering jolts in which a man's real motives are revealed to him in an electrifying vision, I understand, at last, why I jumped hospital that Sunday thirty-five years ago, and, in violation of orders, returned to the front and almost certain death. It was an act of love. Those men on the line were my family, my home....They had never let me down, and I couldn't do it to them. I had to be with them rather than to let them die and me live with the knowledge that I might have saved them. Men, I now knew, do not fight for flag or country, for the Marine Corps or glory or any other abstraction. They fight for one another.[1]

Yes, catalytic mechanisms sometimes use money to add bite, but the best ones also tap deeper wells of human motivation. Even at Nucor, the effectiveness of its catalytic mechanisms lies as much in the peer pressure and the desire to not let teammates down as in the number of dollars in the weekly bonus envelope. The best people *never* work solely for money. And catalytic mechanisms should reflect that fact.

Allow your mechanisms to evolve. New catalytic mechanisms sometimes produce unintended negative consequences and need correction. For instance, the first version of the red flag failed because certain students continued to dominate class discussion, thinking that every comment of theirs was worth a red flag. So I added the stipulation: "Your red flag can be used only once during the quarter. Your red flag is non-transferable; you cannot give or sell it to another student."

All catalytic mechanisms, in fact, even if they work perfectly at first, should evolve. 3M's 15% rule is a case in point. In 1956, executives urged 3M scientists to use 3M labs during their lunch break to work on anything they wanted. In the 1960s, that catalytic mechanism became formalized as the "15% rule," whereby scientists could use any 15% of their time. In the 1980s, the 15% rule became widely available to 3Mers other than scientists, to be used for manufacturing and marketing innovations, for example. In the 1990s, 3M's executives worried that fewer people were using the mechanism than in previous decades. It put together a task force to reinvent the 15% rule,

Catalytic mechanisms should reflect the fact that the best people *never* work for money.

Further Reading

ARTICLES

Turning Great Strategy into Great Performance

by Michael C. Mankins and Richard Steele

HBR, July–August 2005
Product no. R0507E

Research by the consultancy Marakon Associates suggests that on average, companies deliver only 63% of the financial performance their strategies promise. The authors present these findings and offer some basic rules for setting and delivering strategy, such as keeping it simple, creating cross-functional teams, and clearly identifying priorities.

The Stretch Goal Paradox

by Sim B. Sitkin, C. Chet Miller, and Kelly E. See

HBR, January–February 2017
Product no. R1701F

Setting seemingly impossible goals has been celebrated as a key source of achievement for businesses. But in practice, stretch goals rarely work out, research by the authors shows. Here they explain how to determine whether stretch goals are right for your organization and, if they are not, what alternative strategies you can pursue.

All catalytic mechanisms, in fact, even if they work perfectly at first, should evolve.

bolstering it with special recognition rewards for those who used their "bootleg time"—as it has come to be called—to create profitable innovations.

The 15% rule has been a catalytic mechanism at 3M for more than 40 years, but it has continually evolved in order to remain relevant and effective. That's the right approach; no catalytic mechanism should be viewed as sacred. In a great company, only the core values and purpose are sacred; everything else, including a catalytic mechanism, should be open for change.

Build an integrated set. One catalytic mechanism is good; several that reinforce one another as a set is even better. That's not to say a company needs hundreds of catalytic mechanisms—a handful will do. Consider Granite Rock again. It certainly doesn't rely just on short pay. It also has a catalytic mechanism that requires an employee and manager to create a focused development plan for the employee during the performance evaluation process. Indeed, every employee and manager must together complete a form that reads: "Learn ____ so that I can contribute ____." Two sets of teeth make this form effective. First, employees and their managers must both sign off on the final development plan, which forces a continual dialogue until they reach agreement. Second, compensation ties directly to learning and improvement, not just job performance: people who do not go out of their way to improve their skills receive lower than midpoint pay. Only those who do a good job *and* improve their skills *and* make a contribution to improving the overall Granite Rock system receive higher than midpoint pay. So people who merely do a good job self-eject out of Granite Rock. This catalytic mechanism has produced delightful surprises: one previously illiterate employee used it to get the company to send him to a reading program. When Granite Rock won the Baldrige Award, he read an acceptance speech.

Granite Rock also uses catalytic mechanisms to guide hiring, encourage risk taking, and stimulate new capabilities. The point here is not so much in the details as it is in the big picture: Granite Rock does not rely solely on short pay to pursue its BHAG of attaining a reputation for customer satisfaction that exceeds Nordstrom's. It has about a dozen catalytic mechanisms that support and reinforce one another.

That said, however, it would be a mistake to take this article and launch a grand catalytic mechanism initiative. Developing a set of catalytic mechanisms should be an organic process, an ongoing discipline, a habit of mind and action. The dozen or so catalytic mechanisms at Granite Rock came into being over a ten-year period. You certainly don't want to use the idea to create another layer of bureaucracy. Catalytic mechanisms should be catalysts, not inhibitors.

Castles in the Air

I recently worked with a large retail chain to define its BHAG for the twenty-first century. The company is doing well, but it wants its performance to be outrageously great. And so its executives came up with a wildly ambitious goal: to make its brand more popular than Coke.

That company's challenge now is to invent the catalytic mechanisms that will make the dream a reality. I've advised its executives against investing heavily in hoopla events to fire up thousands of frontline employees about the new BHAG. Instead, they should create and implement a set of catalytic mechanisms—specific, concrete, and powerful devices to lend discipline to their vision. After all, catalytic mechanisms alone will not create greatness; they need a dream to guide them. But if you can blend huge, intangible aspirations with simple, tangible catalytic mechanisms, then you'll have the magic combination from which sustained excellence grows.

At the conclusion of *Walden,* Henry David Thoreau wrote: "If you have built castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them." BHAGs are a company's wildest dreams. Catalytic mechanisms are their foundations. Build them both.

HBR Reprint 3960

1. William Manchester, *Goodbye Darkness* (Boston: Little, Brown and Company, 1979).

Jim Collins is the author of *Good to Great, Good to Great and the Social Sectors,* and *How the Mighty Fall* and coauthor of *Built to Last* and *Great by Choice*.

COUNTRY CASE STUDY

The Turks & Caicos Islands

Photo: The Shore Club, Turks & Caicos. http://www.theshoreclubtc.com/

THE BEST ISLAND HOPPING EXPERIENCE

Caicos Express Airways is an essential service when travelling within Turks & Caicos, considering how many islands there are to visit. The airline, which began charter flights in 2007, followed by scheduled flights in 2011, offers a unique experience and breathtaking views of pristine Caribbean landscapes bathed in shallow turquoise waters while hopping from one island to another for an affordable price.

"Maybe we are unheard of in some parts of the world," says Managing Director, Captain Richardson Arthur. "But when you want to tour the island, we are going to be the most beautiful brand you ever dealt with in the airline business."

From its hub in Providenciales, Caicos Express has domestic flights to Grand Turk, Salt Cay and South Caicos. Its fleet of six aircrafts also flies internationally to Haiti and the Dominican Republic.

Captain Friedise Registre, Caicos Express' CEO, says, "The sky is the limit, and we are definitely looking at expanding." ■

www.caicosexpress.com / US Line: 305-677-3116

INVESTING AT THE SPEED OF GROWTH

Regarded by many as the most exclusive of Caribbean locations, the Turks and Caicos Islands offer many attractive investment opportunities within its beautiful archipelago of islands and cays.

The TCI maintains an average of 4.3% annual GDP growth as well as its position as the fastest growing market for long stay tourists in the Caribbean. To remain the luxury destination of choice for North American tourists, the Turks & Caicos' Government has increased investment promotion efforts to attract new foreign direct investment (FDI) to the country, particularly in the tourism/hospitality and real estate sectors.

"The Turks & Caicos Islands is an extremely attractive place to invest in. We have a business-friendly government, programme of concessions for investors who qualify; an investor friendly tax regime with no corporate, personal or inheritance tax; low crime rates; a strong economy with the US dollar as our national currency and a national credit rating of BBB+," states Angela Musgrove, Acting CEO of the islands' investment promotion agency, Invest Turks and Caicos.

The primary role of Invest Turks and Caicos is to highlight investment opportunities; assist prospective investors with the planning of their development projects and facilitate the investment process through to completion. All services are free and confidential. ■

Tel: 1 649-338-4772
Email: info@investturksandcaicos.tc
Web: www.investturksandcaicos.tc ■

INVESTING IN FREEDOM

One of the most dynamic companies in the Turks & Caicos' condominium resort management sector, Freedom Group Management is a young and fast-growing business priding itself on transparent management and mutually beneficial relationships with its partners.

A common type of development in TCI, condo resorts are divided into privately owned units with an overall hotel-style management. Founded two years ago, the group operates The Regent Grand™ on Grace Bay, at the high end of the industry, and The Royal West Indies® at the mid-range. The company aims to acquire additional management companies to run another five hotels within five years.

"At the Royal West Indies, we manage 108 out of 115 units, making a profit for the owners renting their properties when they are not in island. Owners can enjoy their property when they are on island without the hassle of managing it from abroad." says CEO Mike Michael.

James Nappo, Group Chairman (left) and Mike Michael, CEO (right)

Their senior management team of six professionals has a combined 140 years of experience in the hospitality industry.

Group Chairman James Nappo says, "The Freedom Group will be at the forefront of the growth and development of tourism in TCI." ■

THE SHORE CLUB: LONG BAY'S NEW GAME CHANGER

With a 20-year history of success in Turks & Caicos, the Hartling Group moves on to its third major venture in the islands: the Shore Club on Long Bay. The only resort on Long Bay, the Shore Club is an exclusive and luxurious condominium-style development with a traditional Barbadian design. Valued at USD100 million, the property comprises 36 suites and six villas, three pool areas, two dining locations, and a spa with a breathtaking ocean view.

Stan Hartling CEO

CEO and lead partner Stan Hartling says, "The villas at Shore Club are a unique product; how many places can you go where there is a full six-bedroom villa right within the resort with its own private pool, its own hot tub, its own staff and yet they can walk out the door and go to the spa and go to a breathtaking beach?"

Private investors can buy individual units in the luxurious complex, which they can later rent when off island. Though the resort will be completed in late 2017, it has been operating since late 2016 and has already been ranked the top hotel in the world to open in 2017, out of 40, by Travel and Leisure magazine. The group, which is also behind the Sands at Grace Bay and the Palms Turks & Caicos resorts, has been operating in the Turks & Caicos Islands since 1997 and specializes in high-end luxury properties. The Shore Club, their latest project, is their most exclusive yet as one of its key features is its low-density environment: Long Beach will remain as peaceful a paradise in 10 years as it is today. ■

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SPECIAL SPONSORED SECTION

COUNTRY CASE STUDY

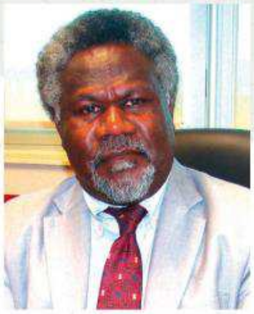
THE REPUBLIC OF VANUATU

VANUATU FINANCIAL SERVICES COMMISSION (VFSC)

GEORGE ANDREWS
Commissioner

VANUATU FINANCIAL SERVICES COMMISSION

ENSURING STABLE GROWTH FOR 35 YEARS



MR. SIMEON MALACHI ATHY.
Governor, Reserve Bank of Vanuatu.

The Reserve Bank of Vanuatu has a flawless record of success, for over 35 years, in achieving its core mission of providing the right conditions to build a strong and resilient economy by ensuring confidence and stability in the country's financial system. The country's GDP growth trend, notwithstanding its variability over the years, has been generally smooth since the country's independence in 1980, providing therefore the added precondition for such a success.

"We try, first of all, to secure stability," says the Reserve Bank's Governor Simeon Malachi Athy. If financial stability is the key to confidence, Vanuatu's economic growth -- averaging over 3.0% a year – is indeed promising.

To consolidate its international reputation as a strong financial center within the South Pacific Island region, the Reserve Bank together with its peer local authorities is advising the Government of Vanuatu to strengthen and improve its financial legislations and framework.

"I think the most important thing is to make sure that we continue to adhere to the FATF requirements by passing most of the priority legislative deficiencies highlighted in the review to Parliament," says Mr. Athy. While finance holds a key promise for growth and investments in the economy, the agriculture sector remains the mainstay of the economy. "The growth of the tourism sector over the years has been and continues to be very strong. And to me, it made a lot of sense for the country to focus its attention on that sector because it's really our main advantage given its close linkages to the many other sectors, like agriculture and infrastructure," says Governor Athy. "I believe together with the other government plans, the infrastructure developments currently taking place will eventually attract more foreign investments into Vanuatu." ■

PROVIDING FOR VANUATU SINCE 1986

VANUATU NATIONAL PROVIDENT FUND

Established in 1986 by an Act of Parliament of the Republic of Vanuatu

For 30 years, the Vanuatu National Provident Fund (VNPF) has been a crucial element of Vanuatu's financial sector by providing retirement benefits to the Ni-Vanuatu.

As Vanuatu does not have a government-funded social welfare scheme, the VNPF is a safe way for the people of Vanuatu to make sure they will be able to provide for themselves and their loved ones, once they can no longer work.

Designed to safeguard the interests of its members and to assist in financing the social and economic development of the country, the VNPF invests its members' contributions in a number of approved financial instruments – such as government bonds and loans, term deposits with commercial banks, offshore investments managed by the approved fund manager, and property – to generate income. Its current strategy is to focus on investments that will provide a return within 12 months.

Membership is mandatory for all employees in the country between the ages of 14 and 55. However, those earning less than VT 3,000 (USD 26.8) a month, as well as those who are specifically exempted, need not contribute to the fund. While the contribution rate may vary year to year, the contribution itself is split between employee and employer.

While the main purpose of the VNPF is to maximize and protect Provident Fund benefits to all its members, it may also offer additional benefits to improve the living standards of its members, without putting at risk its primary goals.

In 2015, following Tropical Cyclone Pam, which caused a damage amounting to USD 360.4 million, the VNPF returned 20% of all its members' savings – over VT 8.8 billion (nearly USD 79,000) – within six months of the natural disaster.

The fund was established by an act of Parliament in 1986, and has just celebrated its 30 years of existence. In that time, Vanuatu's economy has steadily grown nearly sevenfold and the country has been establishing itself in recent years as an increasingly attractive global financial center.

In that context, the VNPF is a central institution within the Ni-Vanuatu financial sector, and plays an essential role in the country's socio-economic development. ■

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ENSURING FAIRNESS IN THE ICT SECTOR

With one of the best regulated telecommunications sectors across the Pacific Islands, Vanuatu's rapidly growing Information and Communication Technology (ICT) industry is overseen by the Telecommunications & Radiocommunications Regulator (TRR).

Established in 2009 to facilitate the development of the ICT sector, TRR also manages the radio frequency spectrum to promote national, social and economic development. It issues licences to service providers, the right to operation radio communication devices, as well as the right to import and sell equipment.

TRR thanks the Vanuatu Government for its recognition, trust and confidence to the current Regulator, Mrs. Dalsie Baniala, to lead such a challenging role and functions in this rapidly evolving sector.

The regulatory agency is also responsible for the management of the country code Top Level Domain for Vanuatu, .vu. ■

Find out more at www.trr.vu

EXEMPLARY BORDER ENFORCEMENT

With the difficult task of managing the security and integrity of Vanuatu's borders, Customs and Inland Revenue (CIR) oversees the movement of goods and people into and out of the archipelago's 83 islands.

Working closely with other border agencies such as the Ministry of Agriculture, the Quarantine Service and the Immigration Service, CIR prides itself on working efficiently and effectively, achieving a lot by working within its means.

In transforming itself, the department has developed its operating system to a level their regional counterparts are trying to replicate.

"We strive to be a shining example to other governmental organizations, internally and externally," says CIR Director Benjamin Malas. With over 90 employees spread across the island nation, with main offices in Port Vila and Luganville and provincial centers on several other islands, CIR collected VT1 billion (US$9.4 million) in surplus revenue in 2016 by carrying out its tasks from intercepting contraband and enforcing import and export restrictions to collecting customs duties and other taxes. ■

A NEW PORTFOLIO OF INVESTMENT OPORTUNITES

Vanuatu Investment Promotion Authority

With a nearly 20-year history, the Vanuatu Investment Promotion Authority (VIPA) seeks to promote investment opportunities in the island nation, creating win-win situations for investors and the Ni-Vanuatu people.

The Authority is in the process of moving to its new headquarters in the French embassy, where it will set up a one stop shop with other agencies to expedite and facilitate investment procedures.

VIPA's acting CEO, Raymond Vuti, also wishes to develop a portfolio of specific investment projects that are especially promising for the country's development.

Tourism is currently the top priority. However, Vanuatu's tourism product is primarily centered in Port Vila. With 80% of the population residing in other islands, VIPA's goal is to develop new tourism activities to reach them.

Ultimately, these investment projects will create a virtuous cycle by generating employment, using more renewable resources and increasing the value of the country's exports. ■

AIRPORTS VANUATU LIMITED

Expanding Vanuatu's Airport Capacity

With half of Vanuatu's GDP coming directly from tourism, the remote island nation relies heavily on its airport infrastructure to sustain its economy. Indeed, with approximately 300,000 international and 200,000 domestic travelers passing through Vanuatu's main hubs of Bauerfield, Pekoa, and Whitegrass airports annually; the country depends on the aviation industry not only to bring in tourists, but also to connect its 83 islands.

Airports Vanuatu Limited (AVL), a state-owned enterprise dedicated to providing safe, secure and efficient access to tourism, trade and investment in Vanuatu, has been working hard on upgrading the country's airport infrastructure in order to grow its tourism capacity.

"Not having an international airport capable of accessing long-haul travel markets directly has been a limiting factor for us over the years—until now!" says AVL CEO Jason Rakau. "With upcoming planned infrastructure upgrades, we are moving into a new era for the country."

Indeed, through the World Bank's Vanuatu Aviation Investment Project, the country has been able to secure funding of US$73.9 million to upgrade its international airport infrastructure.

With new airport pavement upgrades commencing this year to cater for wide-bodied aircraft operations and forecasted to last for the next 20 years, upgrading other associated airport infrastructure is a necessity.

"We cannot simply upgrade our runways and expect that this in itself will achieve our objectives," says the CEO. "All airport infrastructure require some form of upgrades and this is what we are working on now. It is a big step we are taking and airport infrastructure upgrades are certainly not cheap," he adds. "However, for a small Pacific island nation, this infrastructure is critical to sustaining economic growth and we are ensuring that upgrades will help stimulate this growth for Vanuatu into the future".

While Vanuatu's airports are already fully operational, these upgrades will have significant knock on effects on the rest of the tourism industry. ■

RELIABLE, AFFORDABLE AND FAIR UTILITIES SERVICES

The Utilities Regulatory Authority (URA), the regulator of electricity and water services in Vanuatu, increases access to safe, reliable and affordable electricity and water services to homes and businesses in Vanuatu.

Created in 2008, URA approves tariffs for electric and water services for private providers and state-owned companies. Responsible for ensuring safety and reliability of services, URA assists in resolving consumer disputes. It also advises the government on policy and electricity and water-related legislative matters. Vanuatu's significant renewable resources include: wind, hydro, solar, geo-thermal and bio-fuel.

"Our utilities offer reliable, good quality services at competitive prices in the region that makes Vanuatu an attractive destination for new businesses," says URA's CEO, Dr. Hasso Bhatia. "Our primary goal is to assure power and water on demand at reasonable prices to all consumers and to promote business growth in Vanuatu." ■

Find out more at www.ura.gov.vu

Demand Better Results—and Get Them

Managers can break through the barriers that keep their performance expectations too low.

by Robert H. Schaffer

Originally published in November–December 1974

ONE OF THE MOST dramatic, large-scale productivity improvements I am familiar with occurred in a regulated public utility—an industry not noted for such performance breakthroughs. In the early 1960s, this company's productivity was about average among 20 similar companies in North America, as both workload and workforce were rapidly rising. In 1966, the trend shifted: the workload continued to rise, but the number of employees began to drop. By 1968, the company's productivity ranked among the best in its industry. The difference between average and best performance was worth savings of more than $40 million a year—well over one-third of its net income at that time.

What produced this gain? Neither new technology nor labor-saving machinery was a significant

ILLUSTRATION BY JUAN DÍAZ-FAES

Too much support and understanding can keep expectations—and performance—unnecessarily low.

factor. No significant change in management took place. The company was not reorganized. Nor were programs incorporating management by objectives, organizational development, mathematical modeling, or management information systems responsible for the shift. The key to the turnaround was a decision by the principal operating officer (with backing from the chief executive) that the company must and could make substantial productivity gains. Naturally, many supportive programs and activities were necessary to translate this determination into results. These activities, however, would have produced little if a clear demand for improved performance had not been placed on the company's management team.

Most organizations have the potential for as great—or greater—gains. Very few, however, ever realize them. Few managers possess the capacity—or feel compelled—to establish high performance-improvement expectations in ways that elicit results. Indeed, the capacity for such demand making could be the most universally underdeveloped management skill.

Why Demands Aren't Made

Pushing for major gains can appear very risky to managers, and these perceived risks exert tremendous inhibition on performance expectations. If the newly installed manager asserts that significant gains are possible, he may threaten his predecessor and current boss—and thus arouse their antagonism—by implying that they had settled for less. Even if he has been in the job for a while, he subjects himself to the same estrangement.

Great demands increase the risk of resistance from subordinates and of the embarrassment of failing to reach ambitious goals. Managers who set unusually high demands may be challenged by others. They must therefore be sure of their facts and clear about directions. The struggle to upgrade performance may expose their uncertainties, weaknesses, and inadequate knowledge. More modest expectations reduce all these risks.

In addition, establishing well-defined and unequivocal expectations for superior performance creates the worry that the failure of subordinates to produce will require drastic action. Musing out loud about a long-needed productivity improvement effort, the vice president of a manufacturing operation asked, "What would happen if we set specific targets and my people didn't meet them? I'd have to do something—maybe let some of them go. Then I'd have to bring in people I trusted even less." Before even determining whether he could create an effective strategy, this man was paralyzed by the anticipated consequences of failure.

The fear of rejection is also a powerful motivator. Asking subordinates to do much more than they assert they can do runs the risk, at least in a manager's mind, of earning their resentment, if not their dislike. Many managers have been only too eager to adopt the model of the manager portrayed by the human relations movements of the 1950s and 1960s—the loving, understanding, and supportive father figure. The model of the stern, demanding manager was portrayed as a villain.

Although many exponents of human relations did emphasize the importance of high expectations and tough goals, managers frequently overlooked those parts of the message. They saw that high expectations for performance could lead to psychological rejection by subordinates. The prevailing opinion was that by adopting the right techniques, managers could avoid confronting subordinates on performance expectations and asking them to produce much more than the managers estimated they were likely to give anyhow.

Are managers conscious of the discrepancy between the performance they are requiring and what might be possible? To an extent, they are. Most sense that their organizations could achieve more, but their vision is obstructed. To avoid the uneasiness and guilt brought on by too clear a vision of performance gaps, managers unconsciously employ a variety of psychological mechanisms for obstructing the truth.

Evasion through rationalization. Managers may escape having to demand better performance by convincing themselves that they have done all they can to establish expectations. For instance, they may claim that everyone already knows what must be accomplished. When asked whether they have made the goals clear to their people, these managers respond with a variation of "If they don't know what the goals of this outfit are by now, they don't belong in their jobs."

Sincere in their belief that their subordinates are doing their best, managers frequently look for substandard performance elsewhere. Do the following statements sound familiar?

"We can reduce back orders, but you're going to have to pay for plenty of overtime."

"If you want us to cut inventories any further, be prepared for delayed shipments."

"Ever since they trimmed our maintenance budget, we haven't been able to keep this plant operating properly."

Performance improvements always seem to call for an expansion of resources or an increase in authority. Overlooking the possibility of obtaining greater yields from available resources, managers often fail to impose greater demands and expectations on their employees. And when managers do try to demand more, their subordinates are quick to point out that they are doing all that can be done. Thus all levels of management may share the illusion of operating at the outer limit when, in fact, they are far from it.

To avoid having to impose new requirements on subordinates, a manager may decide to take on the job herself. She reassures herself that her people are already overloaded or that they lack some qualification that she possesses. At the other extreme is the manager who covers up his reluctance to make demands with toughness, gruffness, or arbitrariness. He may threaten or needle subordinates without actually specifying requirements and deadlines for results. In the folklore of management, such toughness of manner is equated with a preoccupation with achievement.

Reliance on procedures. Managers can avoid the necessity of demand making by putting their chips on a variety of management programs, procedures, and innovations that they hope will produce better results. But while such mechanisms may help an organization respond to demands, they are no substitute for good management.

For example, a manager may try an incentive system aimed at seducing subordinates into better performance through the promise of "goodies." Many top officers are perpetually preoccupied with new kinds of salary, profit-sharing, and stock-option plans and with promotions, titles, and other so-called incentives. Management assumes that if the right carrots are held out, managers and employees will run like rabbits.

Infusions of new managerial technology also may appear to be the key to performance improvements. Management will install information systems, mathematical planning models, industrial engineering studies, training programs, or any of dozens of other programs offered by technical staff or outside consultants. Top management may even reorganize the company—or parts of it. Perhaps convinced of the magic in their medicines, even the best-trained staff technicians and management consultants become the unwitting coconspirators of managers who fail to establish higher performance requirements for subordinates. In one well-known international company, an internal consulting group put together a mathematical planning model to maximize corporate profits in interdivisional negotiations. But the president used a flimsy excuse to escape from the struggle of requiring his division heads to operate within the framework of the models.

Attacks that skirt the target. A manager may set tough goals and insist they be achieved—and yet fail to produce a sense of accountability in subordinates. For example, managers often define even significant goals in vague or general terms that make accountability impossible. The R&D director is told that she "must get more new products out this year"; the personnel director hears that "turnover must be reduced"; management at a transportation company insists that "safety is our number one objective." When reporting time comes, who can say whether these objectives have been met?

Similarly, a manager may establish goals but insist that subordinates can't be held accountable because they lack the authority to get the job done. The case of a petrochemical plant whose product quality was well below par illustrates this point. Quality depended on how well a number of interdependent departments processed components. Top management charged department heads to improve operations and monitored these activities, but it failed to hold any individuals responsible for the quality of the end product on the grounds that none of them was in sufficient control of all the factors. The quality improvements failed to meet expectations.

To avoid asking employees to do more, a manager may take on the extra work herself.

Idea in Brief

THE MANDATE

The key to a company's turnaround is typically not some labor-saving technology, corporate restructuring, or change in personnel. All these factors can be beneficial, but the critical turning point is usually something more fundamental: It's when management becomes committed to expecting higher levels of performance.

THE OUTCOME

The capacity to demand better results seems like such a simple thing, but in fact it may be the most universally underdeveloped management skill. Managers must overcome psychological obstacles and directly confront areas of organizational resistance. Clearing away these stumbling blocks is no mean feat, but the organizational focus that results can be astonishing.

Sometimes, when pressed by superiors, a manager will establish expectations in a way that tells subordinates that he is merely following instructions from above. In fact, he unconsciously hopes that his subordinates' performance will fall short, "proving," as he has asserted all along, that the new stretch goals cannot be attained.

Ironically, management-by-objectives programs often create heavy paper snowstorms in which managers can escape from demand making. In many MBO programs, as lists of goals get longer and documents get thicker, the focus becomes diffused, bulk is confused with quality, and energy is spent on the mechanics rather than on results. A manager challenged on the performance of her group can safely point to the packet of papers and assert, "My managers have spent many hours developing their goals for the year."

Strategy for Action

The avoidance mechanisms just described act as powerful deterrents to dramatic performance improvement—but they do not have to. There are ways to accelerate progress.

If management is willing to invest time and energy, there is a way it can expect more and get more. I have seen the process work in a variety of organizations: in a refinery that expanded its output while reducing its force by half; in a large, urban teaching hospital that shifted its mission and direction radically; in a poorly maintained detergent and foodstuffs plant that became more competitive without more investment; and in school systems where determined leaders generated innovation despite the inertia of tradition.

The essence of the five-step strategy outlined here is to make a successful initial attempt at upgrading expectations and obtaining a response and then to use this achievement as the foundation for increasingly ambitious steps. A series of demands, initially limited, then more ambitious—each supported by careful plans, controls, and persistence—makes success more likely than does a big plunge involving demands for sweeping changes.

Select the goal. Start with an urgent problem. Are the costs of one department too high? Is a budget being seriously overrun? Is a quality specification being consistently missed? Is there a shortfall in meeting a sales quota? Beginning with problems like these is essential to generating the feeling that achievement of the goal is imperative, not merely desirable.

As you select the goal, assemble the information needed to frame the performance demand. You need this information not only to define the need and specify the target but also to convince people why performance improvement is essential. It is also a good idea to sound out your subordinates on the opportunities for improvement; their responses will give you a sense of their readiness. To illustrate, the management at a newspaper publishing plant tried to launch a comprehensive improvement effort. The needs were so great and resistance by managers at lower levels so strong that very little was accomplished. Interviews with the composing room supervisors, however, revealed that they shared upper management's distress over the number of typographical errors in news and advertising matter. This information made it possible to design an initial project mobilizing supporters of change.

The more participation by subordinates in determining goals, the better. Managers should not, however, permit their dedication to the participatory process to mean abdication of their own responsibilities.

Specify the minimum expectation of results. Broad, far-reaching, or amorphous goals should be narrowed to one or two specific, measurable ones. A manager may protest with "I have too many things that have to get done to concentrate on only one or two of them." But the

Managers look elsewhere for substandard performance when they believe that their people are doing the best they can.

fragmentation of a manager's attention in trying to push them all ahead can keep her perpetually trapped in the same defense mechanisms from which she is trying to escape. Whether the first-step goal is a modest advance or a bold one, it must focus the energy of the organization on one or two sharply defined targets.

For example, one company, in treading a path between mass production and tailored engineering, was losing money because it could not clarify its proper place in the market and develop the appropriate products. Top management spent hundreds of hours conferring and making studies to define the business, the product line, and the pricing strategy. This produced more frustration than progress.

The undertaking was transformed, however, when the president asked the executives to select from a dozen new products the one they agreed would most likely be profitable and conform to their vision of the business. He directed them to sketch out a market plan and pricing policy for this product. They were to draw from this effort some generalizations that could be applied to policy determination. The president was convinced that the group could produce the result in a short time. And he was confident that the initial step would provide insights into the next steps to clarify the company's direction.

Communicate your expectations clearly. Share with the persons responsible, both orally and in writing, the determination of the goal, the locus of responsibility, the timetable, and the constraints. Make clear that you are not asking for permission to set the goal, not securing their advice on whether the goal is attainable, and not implying that if they do not meet the target, you will nevertheless appreciate their efforts. Make sure they understand that this is not a goal that *should* be achieved; it is one that *must* be achieved.

Monitor the project, but delegate responsibility. Work-planning disciplines are essential to preventing these projects from fading into the ether. Trying to keep the goals, commitments, and plans only in your mind is sure to undermine the project; rather, have the manager responsible for each goal or subgoal provide you with a written work plan of steps to be taken to reach the goal. This plan should also specify how progress will be measured and how it will be reported to you.

Moreover, assign responsibility for achieving each goal to one person, even though the contributions of many may be essential for success. Consider the case of a company whose technically complex new product was failing to perform as promised. The president talked about the problem with her marketing, engineering, and manufacturing vice presidents; each claimed that his function was doing its job and that the problems originated elsewhere. After spending much more time than usual with her subordinates, the president was still able to effect only a slight improvement.

The turnaround came when she told her department heads that it was unwise for her to get involved in trying to solve the problem. That was *their* job. She gave them full responsibility for reducing the frequency of unacceptable products to a target level within three months. She assigned to one executive the responsibility for shaping an integrated plan and for making certain it was adequate to achieve the result. In addition, the president requested that each of the other managers produce a plan specifying his or her own functions, contributions, and timetable. After many months of struggling for a solution, the company for the first time pinpointed a goal to be achieved, established responsibilities for achievement, and introduced work-planning disciplines to manage the process in an orderly way.

When responsibility for results is not explicitly assigned, subordinates tend to "delegate" it upward, especially if the boss tries to play a helpful role in the project. Top management must ensure that project members clearly understand their responsibility and must not permit them to turn offers of help and support into opportunities to pass the buck.

Expand and extend the process. Once some success has been achieved on a first set of demands, it should be possible to repeat the process on new goals or on an extension of the first. This will lead to further expansion.

When responsibility for results is not explicitly assigned, people "delegate" it to the boss.

Further Reading

ARTICLES

Reinventing Performance Management

by Marcus Buckingham and Ashley Goodall

HBR, April 2015
Product no. R1504B

When Deloitte realized that its existing method of evaluating employees was increasingly out of step with its objectives, it began a search for something focused on fueling performance in the future rather than assessing it in the past. In this article the authors describe how the company set about designing a radical new performance management system.

Managing for Business Effectiveness

by Peter F. Drucker

HBR, May–June 1963
Product no. 63303

Productive business managers are those who obtain optimum economic results from the prevailing resources. Drucker, known as the "founder of modern management," offers a series of primary steps that have proved to be highly effective for managers in actual business situations.

Consider the efforts of a large railway express terminal that handled tens of thousands of shipments daily. It was performing very poorly on many counts: costs were high, productivity was low, and delivery deadlines were often missed. Studies had identified the potential for saving hundreds of thousands of dollars, but those savings were illusive. Then the head of the terminal and his boss ceased talking about what was going wrong and all the improvements that were needed. Instead, they identified the most crucial short-term goals.

From these few they selected one: getting *all* of one category of shipments out on time each day. It was not an easy goal, but it was clear and understandable; it could be sharply defined and measured, and action steps could be quickly identified. Meeting that target was the all-important first success that launched the terminal on an ambitious improvement program. Once the first traffic category was under control, top management planned a series of slightly more ambitious improvement programs. Gradually, the terminal's managers gained confidence in asking for more, and their staffs gained confidence that they could respond. Eventually, many of the sizable savings promised in the earlier studies were realized.

Psychodynamics of Action

While moving ahead through successive sets of demands, top management has some essential work to do on the psychological front as well. The methods and procedures for negotiating goals with subordinates are well known; almost overlooked but more significant are the often unconscious negotiations that managers carry on with themselves. They frequently bargain themselves down to comfortable expectation levels long before they confront subordinates. They must learn to share the risk taking that they want their subordinates to assume. They may have to live with the "testing" subordinates subject them to, and they may need to engage in consciousness-raising to make sure they do not slip into rationalizations for failing to see that their directives are carried out.

Managers often unintentionally ensure that they will share in the glory of their subordinates' successes but that lower levels will take the blame for failures. For example, a plant manager had been pressuring the head of maintenance to realign the responsibilities of supervisors and workers as a way to increase efficiency. The step would make a number of persons redundant. Low-level managers and supervisors resisted the move, warning of various disasters that would befall the plant.

The deadlock was broken only when the plant manager—through transfers, early retirements, and a very modest layoff—reduced the maintenance force to the level needed after the proposed reorganization. Once the most painful step had been taken, maintenance management quickly installed the new structure. Instead of insisting self-righteously that the key to action was overcoming the resistance of maintenance management, the plant manager assumed the risk and reduced the staff.

When managers expect better results, subordinates may express their own lack of self-confidence in the form of tests. For example, they may continue to do exactly what they have been doing, suggesting that they heard the boss's words but disbelieve the message. Or they may imply that "it can't be done." Some subordinates may advise managers that for their own good—considering the high risks involved—they should lower their sights. They may even withdraw their affection and approval from their managers.

Such testing is usually an expression of subordinates' anxiety over whether they can actually achieve the goal; it is a way to seek reassurance from the boss. If the boss is as anxious as they are, he will be upset by the testing and may react against what he perceives as defiance. If he has self-confidence, he will accept the testing for what it is and try to help his subordinates deal with the problem—without lowering his expectations.

In breaking out of productiveness-limiting traps, consciousness-raising may be needed to

Subordinates may test the boss's demands by ignoring them or by implying that "it can't be done."

Managers escape from making real demands by hiding out in paperwork.

help managers assess more objectively their approach to establishing demands. Consultants—inside or outside—can help managers gain the necessary perspective. Or several managers who are working through the same process may join forces, since each can be more detached about the others' behavior than about his or her own. They may meet periodically to probe such questions as: Have you adequately assessed the potential for progress? Have you made the performance requirements clear to your associates? Are these goals ambitious enough? Are you providing your subordinates with enough help? Are you sharing the risks with them? How well are you standing up to testing? Have you defined goals that at least some of your subordinates can see as exciting and achievable?

Perhaps the most important function of consciousness-raising has to do with getting started. It is very difficult to alter the pattern of relationships between superiors and subordinates, especially if they have been working together for a long time. You cannot take the first step without worrying that your people may say (or think), "Oh, come off it. We know who you are!"

The Rewards Are There

The strategy for demanding better performance—and getting it—begins with a focus on one or two vital goals. Management assesses readiness and then defines the goal. The organization receives clearly stated demands and unequivocally stated expectations. Management assigns the responsibility for results to individuals, and work-planning discipline provides the means for self-control and assessment of progress. Management keeps wired in, tenaciously pushing the project forward. Early successes provide the reinforcement to shoot for more-ambitious targets, which may be extensions of the first goal or additional goals.

There is no limit to the pace or scope of expansion. As this process expands, a shift in management style and organizational dynamics gradually takes place: sophisticated planning techniques, job redesign, closer line and staff collaboration, and other advances will come about naturally.

With clearly conveyed, "nonnegotiable" expectations and a step-by-step expansion strategy, you may find that the anticipated difficulties and dangers never materialize. If your subordinates are like most, they will respond to the higher demands. They will be able to accomplish what is expected—or most of it. And despite a bit of testing or hazing, most of them will enjoy working in a more results-oriented environment. Thus you will be creating greater job satisfaction and mutual respect, better relationships among levels, and a multiplied return on the organization's human and material resources.

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The Science of Pep Talks

To fire up your team, draw on a research-proven, three-part formula. by Daniel McGinn

ERICA GALOS ALIOTO stands in front of 650 sales reps in the New York office of Yelp, the online review company, wearing a pair of shiny gold pants that she calls her lucky LDOM pants. LDOM is Yelp's acronym for "last day of the month," and for Alioto, senior vice president for local sales, it means giving a speech that will motivate her sales force to cold-call 70 potential customers each and close deals before the accountants finalize that month's books.

She speaks for 20 minutes, extolling the group for being Yelp's top sales producer. She name-checks the best performers on the team and suggests ways for everyone else to adopt the same mentality. She tells stories. She asks questions.

"This office is currently $1.5 million away from target this month.... We have an action plan here. Are we going to execute?" There's moderate applause. She asks again, in a louder voice: *"Are we going to execute?"* Big applause.

Alioto has worked hard to perfect these speeches because she knows her success depends on them. Indeed, the ability to deliver an energizing pep talk that spurs employees to better performance is a prerequisite for any business leader. And yet few managers receive formal training in how to do it. Instead, they learn mostly from mimicry—emulating inspirational bosses, coaches they had in school, or even characters from films such as *Glengarry Glen Ross* and *The Wolf of Wall Street*. Some people lean on executive coaches for help, but often the advice rests on the coaches' personal experience, not research.

There is, however, a science to motivating people in this way. To better understand the various tools that help people get psyched up in the moments before important performances, I talked extensively with academics and practitioners in business and a variety of other fields. I discovered that while every individual has his or her own tips and tricks, according to the science, most winning formulas include three key elements: direction giving, expressions of empathy, and meaning making. The most extensive research in this

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ILLUSTRATION BY JUAN DÍAZ-FAES

field—dubbed motivating language theory, or MLT—comes from Jacqueline and Milton Mayfield, a husband-and-wife team at Texas A&M International University who have studied its applications in the corporate world for nearly three decades. Their findings are backed by studies from sports psychologists and military historians. And all the evidence suggests that once leaders understand these three elements, they can learn to use them more skillfully.

Three Elements, Carefully Balanced

The Mayfields describe direction giving as the use of "uncertainty-reducing language." This is when leaders provide information about precisely *how* to do the task at hand by, for example, giving easily understandable instructions, good definitions of tasks, and detail on how performance will be evaluated.

"Empathetic language" shows concern for the performer as a human being. It can include praise, encouragement, gratitude, and acknowledgment of a task's difficulty. Phrases like "How are we all doing?" "I know this is a challenge, but I trust you can do it," and "Your well-being is one of my top priorities" all fit into this category.

"Meaning-making language" explains why a task is important. This involves linking the organization's purpose or mission to listeners' goals. Often, meaning-making language includes the use of stories—about people who've worked hard or succeeded in the company, or about how the work has made a real difference in the lives of customers or the community.

A good pep talk—whether delivered to one person or many—should include all three elements, but the right mix will depend on the context and the audience. Experienced workers who are doing a familiar task may not require much direction. Followers who are already tightly bonded with a leader may require less empathetic language. Meaning making is useful in most situations, but may need less emphasis if the end goals of the work are obvious.

For example, the Mayfields studied the CEO of a California pharmaceutical start-up focused on drugs to alleviate heart disease and amyotrophic lateral sclerosis (ALS). Many of the company's employees have lost loved ones to these ailments,

According to the science, most winning formulas include three key elements: direction giving, expressions of empathy, and meaning making.

so they bring an unusual sense of purpose to their work. As a result, at all-hands meetings, the CEO can easily make statements like this: "I know everybody here wants to help save lives and make people's lives better. That's what our work is all about."

In contrast, the supervisor of a fast-food restaurant speaking to part-time teenage employees will need to work harder to incorporate all three elements of motivating language theory into his chats with staff, but he can't rely solely on direction giving. Milton Mayfield suggests empathetic lines: "I know this work is difficult; you go home every night smelling of grease, and you're working so late that you're up until midnight finishing your homework." Or, to creatively link labor to purpose, the supervisor might say: "Our goal as a company isn't just to provide people with fast, satisfying meals; it's also to provide good, stable jobs so that employees like you have money to help your families, to save for college, or to enjoy yourselves when you're not at work. The more you help this restaurant meet its goals, the better we'll be able to continue doing that." According to the Mayfields' research, meaning making is almost always the most difficult of the three elements to deliver.

Research from other fields offers additional insight into what gives the best pep talks their power. Tiffanye Vargas, a sports psychology professor at California State University at Long Beach, has published a half-dozen lab and field studies exploring which types of speeches best motivate athletes in different situations, some of which may also be applicable to business contexts. Her research suggests that across a variety of sports, coaches' pregame remarks do matter: 90% of players say they enjoy listening, and 65% say the speeches affect the way they play. She's found that people prefer an information-rich (uncertainty-reducing) speech if they're playing an unknown opponent or a team to which they've narrowly lost in the past. (For example: "We're going to beat this team with tough man-to-man coverage. Joe, your job is to neutralize that shooting guard; Jimmy, you box out that star rebounder on every play.") If a team is an underdog or playing in a high-stakes game, a more emotional pep talk (with more empathetic and meaning-making language) is more effective. (For example: "We've exceeded all expectations in this tournament. No one expects us to win. But *I* expect you to win. I know you can win. You have to win. For your teammates, for the fans—because you deserve this victory.")

Military speeches also tend to use the three elements of MLT in varying proportions, even if the terminology is different. When Keith Yellin, a former officer in the U.S. Marine Corps and the author of *Battle Exhortation: The Rhetoric of Combat Leadership,* analyzed precombat speeches dating back to the ancient Greeks and Romans (including literary accounts, such as the "Once more unto the breach" oratory in Shakespeare's *Henry V*), he found 23 "common topics" that generals call on. These include language that qualifies as direction giving ("Follow the plan"), but most of the themes appeal to soldiers' reason (by comparing their superior army to opponents' weaker forces) or emotions (by saying God is on their side or by highlighting the evilness of the enemy). Since the soldiers are about to risk their lives, it makes sense that a commander would focus on the larger purpose of the battle and why the risk is worthwhile.

At the same time, Yellin acknowledges that precombat oratory is less common today than in earlier wars, and its balance of elements has shifted. That's partly because today's armies are stealthy (limiting opportunities for speeches), but it's also because they're now more professionalized, made up mostly of career soldiers who voluntarily enlisted, rather than civilian soldiers or draftees. While new recruits might still benefit from rah-rah pep talks, seasoned soldiers already know their purpose and don't need as much empathy.

Stanley McChrystal, the retired four-star general who oversaw special operations in Iraq and Afghanistan, echoes this view. "If you went out with Delta Force or the Rangers or the SEALS in this last war, we were fighting every night," he says. "Stuff is happening so fast, they're all business." Earlier in his career, however, when he was leading younger soldiers, he relied more on emotion and meaning: "During the last 30 minutes or so [before a mission], it was more about building the confidence and the commitment to each other." He says he tended to start with direction giving ("Here's what I'm asking you to do") but quickly shifted to meaning making ("Here's why it's important") and empathy ("Here's why I know you can do it" and "Think

Idea in Brief

THE CHALLENGE

Business leaders must be able to energize their teams with motivating pep talks, but few have received formal training on how to do that. How can they fire up their employees?

THE SOLUTION

The science behind inspiring people is explained by motivating language theory, and most successful pep talks contain a combination of three elements: *direction giving,* or providing explicit instructions for the task; *expressions of empathy,* or concern for the performer as a human being; and *meaning-making language,* or connecting people to the importance of the task.

THE PAYOFF

Once leaders understand the elements of motivating language theory—and how and when to use them—they can skillfully galvanize their teams to reach for success.

GRADING A SALES LEADER'S PEP TALK

HBR asked Milton and Jacqueline Mayfield to evaluate how well Yelp sales leader Erica Galos Alioto used motivating language theory with her team. They highlighted and coded the three elements—1 for direction-giving language, 2 for empathetic language, and 3 for meaning-making language—and offered comments on her approach. Edited excerpts follow.

Let me just say how impressed I am with this group.... Thank you for being the top office in Yelp right now, and for welcoming me with such incredible energy.

Right now the New York office is leading the company with 104% of quota, and there are two days left in the month. That's absolutely insane.... Colleen is at $80,000. I tried to say hello to her yesterday, but she was on the phone, pitching like a madwoman, so I couldn't....

2 PRAISING THE GROUP AND INDIVIDUAL CONTRIBUTIONS

Everybody knows how amazing the last day of the month is in the New York office. But LDOM isn't really about the day of the month. It's about how we approach that day. There's something about that particular day that makes us come in with the ridiculous amount of grit and determination, the ability to make the unthinkable happen, the energy to achieve just about anything so that no matter where we are in relation to quota, we're going to win. All those people who've been telling us no all month long—we're going to turn that around and get a yes....

3 PORTRAYING LDOM AS A TRANSCENDENT EVENT AND CONNECTING THE REPS' ACTIONS TO A LARGER GOAL

2 ACKNOWLEDGING THAT SOME PEOPLE ARE LAGGING, BUT EMPHASIZING THEIR SELF-EFFICACY AND RESILIENCE

Hopefully everybody has a pen and paper. I want you all to take a moment and write down what success looks like for you today. It may be how many business owners you talked to, or how many hearts and minds you won.... Write it down.

1 OFFERING SPECIFIC GUIDANCE ON HOW TO APPROACH THE DAY'S TASK

When you woke up this morning, what was your mentality? Sometimes we get into negative self-talk. Sometimes it may sound like this: "Why is Jon at target today? He must have a really great territory." Sometimes we believe if somebody is achieving something that we're not, it must be because the other person has some advantage.

2 RECOGNIZING EMPLOYEES' TENDENCY TO GET DISCOURAGED, RATHER THAN BE EMBOLDENED, BY COLLEAGUES' SUCCESS

Guess what? We also have plenty of examples of what people think of as a bad territory, and we put somebody new on it, and they go out and absolutely crush it.

If there's anything negative in your thinking, I encourage you to turn that thinking on its head. Instead of looking at the differences between you and somebody else with a lot of success, look for similarities.

1 INSTRUCTING REPS TO AVOID NEGATIVITY

We've got two days to make it happen. Everything you do today, every action you take to make that successful outcome, every time you pitch, every business owner you talk to, every time you encourage a teammate to be better, every time you win the heart and mind of a business owner, you're not only helping yourself—you're helping your team, you're helping your office, you're helping your company, and you're helping Yelp get where it wants to be.

3 CONNECTING TODAY'S WORK TO THE COMPANY'S LARGER GOAL

about what you've done together before"), and then ended with a recap ("Now let's go and do it").

The upshot of all this research and anecdotal evidence is that leaders in any context need to understand each element of motivating language theory and be conscious of emphasizing the right one at the right time.

Putting Theory into Practice

Alioto, the Yelp sales leader, has never studied the Mayfields' work, but she seems to have adopted the framework on her own. She leads with empathy—thanking the entire team for its hard work, singling out people or small teams who've been crushing it, and emphasizing that if one Yelp salesperson can put up spectacular numbers, all the reps are capable of it, since they have similar skills and training. After reading a transcript of her talk, the Mayfields point to this line in particular: "No matter what's happened to you up to this point in the month, you can make it a successful day." Then she shifts to direction giving, offering insight on a basic informational concept—often dealing with having the right mindset or a commitment to act. For example, she tells the reps to write one goal for the day on a Post-it and stick it on their computer.

Alioto ends with meaning making—an emotional rallying cry that connects LDOM to a bigger goal and leaves the group energized: "Every time you win the heart and mind of a business owner, you're not only helping yourself—you're helping your team, you're helping your office, you're helping your company, and you're helping Yelp get where it wants to be." The Mayfields note that she could have gone a step further by connecting sales reps' work to how Yelp improves end users' lives by giving them access to recommendations and reviews of restaurants and other businesses. But on the whole, they give high marks to Alioto's use of rhetoric to motivate a sales team.

It's important to note, however, that Alioto's instruction, empathy, and meaning making don't stop when the salespeople file back to their desks. After her speech, she walks the sales floor, talking individually with more than a hundred reps and continuing to employ the different elements from motivating language theory. In one conversation, she talks to a rep about how to more forcefully close an ambivalent prospect. With a salesperson about to call an automobile mechanic, she talks about the specifics of that category. In other conversations, she tries to boost reps' confidence or emphasize the team's goals.

By day's end, the New York Yelpers have sold $1.45 million in new ads, meeting their quota and falling just $50,000 short of that month's stretch target. Many individual reps achieve their BME, Yelp-speak for "best month ever."

IT'S IMPOSSIBLE TO say how much her morning remarks and one-on-one talks influenced those results, but Alioto felt the day was successful. "My speech wasn't anything groundbreaking, but it helped them think about where they are and what they are capable of in a different way," she says. "I try to make everyone understand that they have the power to control their day."

HBR Reprint R1704L

Daniel McGinn is a senior editor at *Harvard Business Review* and the author of *Psyched Up: How the Science of Mental Preparation Can Help You Succeed* (Portfolio, 2017), from which this article is adapted.

Further Reading

ARTICLES

Leadership That Gets Results

by Daniel Goleman

HBR, March–April 2000
Product no. R00204

Goleman describes six leadership styles, each hinging on different emotional-intelligence competencies: coercive, authoritative, affiliative, democratic, pacesetting, and coaching. The best leaders flexibly switch among styles as circumstances dictate.

The Power of Small Wins

by Teresa M. Amabile and Steven J. Kramer

HBR, May 2011
Product no. R1105C

Making progress in meaningful work has a powerful positive impact on an employee's emotions, motivations, and perceptions. Even small wins can boost inner work life, while small losses can have an extremely negative effect. The authors provide a checklist that managers can use to support progress.

YOUR TEAM

Why Incentive Plans Cannot Work

When reward systems fail, don't blame the program—look at the premise behind it. by Alfie Kohn

IT IS DIFFICULT to overstate the extent to which most managers and the people who advise them believe in the redemptive power of rewards. Certainly, the vast majority of U.S. corporations use some sort of program intended to motivate employees by tying compensation to one index of performance or another. But more striking is the rarely examined belief that people will do a better job if they have been promised some sort of incentive. This assumption and the practices associated with it are pervasive, but a growing collection of evidence supports an opposing view. According to numerous studies in laboratories, workplaces, classrooms, and other settings, rewards typically undermine the very processes they are intended to enhance. The findings suggest that the failure of any given incentive program is due less to

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ILLUSTRATION BY JUAN DÍAZ-FAES

a glitch in that program than to the inadequacy of the psychological assumptions that ground all such plans.

Temporary Compliance

Behaviorist theory, derived from work with laboratory animals, is indirectly responsible for such programs as piecework pay for factory workers, stock options for top executives, special privileges accorded to Employees of the Month, and commissions for salespeople. Indeed, the livelihood of innumerable consultants has long been based on devising fresh formulas for computing bonuses to wave in front of employees. Money, vacations, banquets, plaques—the list of variations on a single, simple behaviorist model of motivation is limitless. And today even many people who are regarded as forward thinking—those who promote teamwork, participative management, continuous improvement, and the like—urge the use of rewards to institute and maintain these very reforms. What we use bribes to accomplish may have changed, but the reliance on bribes, on behaviorist doctrine, has not.

Moreover, the few articles that appear to criticize incentive plans are invariably limited to details of implementation. Only fine-tune the calculations and delivery of the incentive—or perhaps hire the author as a consultant—and the problem will be solved, we are told. As Herbert H. Meyer, professor emeritus in the psychology department at the College of Social and Behavioral Sciences at the University of South Florida, has written, "Anyone reading the literature on this subject published 20 years ago would find that the articles look almost identical to those published today." That assessment, which could have been written this morning, was actually offered in 1975. In nearly forty years, the thinking hasn't changed.

Do rewards work? The answer depends on what we mean by "work." Research suggests that, by and large, rewards succeed at securing one thing only: temporary compliance. When it comes to producing lasting change in attitudes and behavior, however, rewards, like punishment, are strikingly ineffective. Once the rewards run out, people revert to their old behaviors. Studies show that offering incentives for losing weight, quitting smoking, using seat belts, or (in the case of children) acting generously is not only less effective than other strategies but often proves worse than doing nothing at all. Incentives, a version of what psychologists call extrinsic motivators, do not alter the attitudes that underlie our behaviors. They do not create an enduring *commitment* to any value or action. Rather, incentives merely—and temporarily—change what we do.

As for productivity, at least two dozen studies over the last three decades have conclusively shown that people who expect to receive a reward for completing a task or for doing that task successfully simply do not perform as well as those who expect no reward at all. These studies examined rewards for children and adults, males and females, and included tasks ranging from memorizing facts to creative problem-solving to designing collages. In general, the more cognitive sophistication and open-ended thinking that was required, the worse people performed when working for a reward. Interestingly enough, the researchers themselves were often taken by surprise. They assumed that rewards would produce better work but discovered otherwise.

The question for managers is whether incentive plans can work when extrinsic motivators more generally do not. Unfortunately, as author G. Douglas Jenkins, Jr., has noted, most organizational studies to date—like the articles published—have tended "to focus on the effects of *variations* in incentive conditions, and not on whether performance-based pay per se raises performance levels."

A number of studies, however, have examined whether or not pay, especially at the executive level, is related to corporate profitability and other measures of organizational performance. Often they have found slight or even *negative* correlations between pay and performance. Typically, the absence of such a relationship is interpreted as evidence of links between compensation and something other than how well people do their

Most managers too often believe in the redemptive power of rewards.

Incentives do not alter the attitudes that underlie our behaviors.

jobs. But most of these data could support a different conclusion, one that reverses the causal arrow. Perhaps what these studies reveal is that higher pay does not produce better performance. In other words, the very idea of trying to reward quality may be a fool's errand.

Consider the findings of Jude T. Rich and John A. Larson, formerly of McKinsey & Company. In 1982, using interviews and proxy statements, they examined compensation programs at 90 major U.S. companies to determine whether return to shareholders was better for corporations that had incentive plans for top executives than it was for those companies that had no such plans. They were unable to find any difference.

Four years later, Jenkins tracked down 28 previously published studies that measured the impact of financial incentives on performance. (Some were conducted in the laboratory and some in the field.) His analysis, "Financial Incentives," published in 1986, revealed that 16, or 57%, of the studies found a positive effect on performance. However, all of the performance measures were quantitative in nature: a good job consisted of producing more of something or doing it faster. Only five of the studies looked at the quality of performance. And none of those five showed any benefits from incentives.

Another analysis took advantage of an unusual situation that affected a group of welders at a Midwestern manufacturing company. At the request of the union, an incentive system that had been in effect for some years was abruptly eliminated. Now, if a financial incentive supplies motivation, its absence should drive down production. And that is exactly what happened, at first. Fortunately, Harold F. Rothe, former personnel manager and corporate staff assistant at the Beloit Corporation, tracked production over a period of months, providing the sort of long-term data rarely collected in this field. After the initial slump, Rothe found that in the absence of incentives the welders' production quickly began to rise and eventually reached a level as high or higher than it had been before.

One of the largest reviews of how intervention programs affect worker productivity, a meta-analysis of some 330 comparisons from 98 studies, was conducted in the mid-1980s by Richard A. Guzzo, associate professor of psychology at the University of Maryland, College Park, and his colleagues at New York University. The raw numbers seemed to suggest a positive relationship between financial incentives and productivity, but because of the huge variations from one study to another, statistical tests indicated that there was no significant effect overall. What's more, financial incentives were virtually unrelated to the number of workers who were absent or who quit their jobs over a period of time. By contrast, training and goal-setting programs had a far greater impact on productivity than did pay-for-performance plans.

Why Rewards Fail

Why do most executives continue to rely on incentive programs? Perhaps it's because few people take the time to examine the connection between incentive programs and problems with workplace productivity and morale. Rewards buy temporary compliance, so it looks like the problems are solved. It's harder to spot the harm they cause over the long term. Moreover, it does not occur to most of us to suspect rewards, given that our own teachers, parents, and managers probably used them. "Do this and you'll get that" is part of the fabric of American life. Finally, by clinging to the belief that motivational problems are due to the particular incentive system in effect at the moment, rather than to the psychological theory behind all incentives, we can remain optimistic that a relatively minor adjustment will repair the damage.

Over the long haul, however, the potential cost to any organization of trying to fine-tune reward-driven compensation systems may be considerable. The fundamental flaws of behaviorism itself doom the prospects of affecting long-term behavior change or performance improvement through the use of rewards. Consider the following six-point framework that examines the true costs of an incentive program.

1. "Pay is not a motivator." W. Edward Deming's declaration may seem surprising, even absurd. Of course, money buys the things people

Idea in Brief

THE MYTH

To build a committed, collaborative, and creative workforce, you might think you have to *pay* employees for excellence. However, though most U.S. corporations use incentive programs, trying to reward quality may be a fool's errand. Studies show that people who expect to receive a reward for completing a task typically *underperform* compared to those who expect no reward—particularly if the task requires sophisticated thinking.

THE EXPLANATION

Whether it's piecework pay, stock options, commissions, or Employee of the Month privileges, pay-for-performance gains you one thing: temporary compliance. It may change people's *behavior* in the short run, but it doesn't alter the *attitudes* driving behavior. It can't create an enduring commitment to your company's values or lasting, meaningful change.

THE SOLUTION

So how *can* you build an exceptional workforce? Understand the real costs of pay-for-performance. Then consider more potent strategies—including long-term goal setting and training.

Rewards do not create a lasting commitment. They merely, and temporarily, change what we do.

want and need. Moreover, the less people are paid, the more concerned they are likely to be about financial matters. Indeed, several studies over the last few decades have found that when people are asked to guess what matters to their coworkers—or, in the case of managers, to their subordinates—they assume money heads the list. But put the question directly—"What do you care about?"—and pay typically ranks only fifth or sixth.

Even if people were principally concerned with their salaries, this does not prove that money is motivating. There is no firm basis for the assumption that paying people more will encourage them to do better work or even, in the long run, more work. As Frederick Herzberg, Distinguished Professor of Management at the University of Utah's Graduate School of Management, has argued, just because too little money can irritate and demotivate does not mean that more and more money will bring about increased satisfaction, much less increased motivation. It is plausible to assume that if someone's take-home pay was cut in half, his or her morale would suffer enough to undermine performance. But it doesn't necessarily follow that doubling that person's pay would result in better work.

2. Rewards punish. Many managers understand that coercion and fear destroy motivation and create defiance, defensiveness, and rage. They realize that punitive management is a contradiction in terms. As Herzberg wrote in HBR some 25 years ago ("One More Time: How Do You Motivate Employees?" January–February 1968), a "KITA"—which, he coyly explains, stands for "kick in the pants"—may produce movement but never motivation.

What most executives fail to recognize is that Herzberg's observation is equally true of rewards. Punishment and rewards are two sides of the same coin. Rewards have a punitive effect because they, like outright punishment, are manipulative. "Do this and you'll get that" is not really very different from "Do this or here's what will happen to you." In the case of incentives, the reward itself may be highly desired; but by making that bonus contingent on certain behaviors, managers manipulate their subordinates, and that experience of being controlled is likely to assume a punitive quality over time.

Further, not receiving a reward one had expected to receive is also indistinguishable from being punished. Whether the incentive is withheld or withdrawn deliberately, or simply not received by someone who had hoped to get it, the effect is identical. And the more desirable the reward, the more demoralizing it is to miss out.

The new school, which exhorts us to catch people doing something right and reward them for it, is not very different from the old school, which advised us to catch people doing something wrong and threaten to punish them if they ever do it again. What is essentially taking place in both approaches is that a lot of people are getting caught. Managers are creating a workplace in which people feel controlled, not an environment conducive to exploration, learning, and progress.

3. Rewards rupture relationships. Relationships among employees are often casualties of the scramble for rewards. As leaders of the Total Quality Management movement have emphasized, incentive programs, and the performance appraisal systems that accompany them, reduce the possibilities for cooperation. Peter R. Scholtes, senior management consultant at Joiner Associates Inc., put it starkly, "Everyone is pressuring the system for individual gain. No one is improving the system for collective gain. The system will inevitably crash." Without teamwork, in other words, there can be no quality.

The surest way to destroy cooperation and, therefore, organizational excellence, is to force people to compete for rewards or recognition or to rank them against each other. For each person who wins, there are many others who carry with them the feeling of having lost. And the more these awards are publicized through the use of memos, newsletters, and awards banquets, the more detrimental their impact can be. Furthermore, when employees compete for a limited number of incentives, they will most likely begin to see each other as obstacles to their own success. But the same result can occur with any use of rewards; introducing competition just makes a bad thing worse.

Relationships between supervisors and subordinates can also collapse under the weight of incentives. Of course, the supervisor who punishes is about as welcome to employees as a glimpse of a police car in their rearview mirrors. But even the supervisor who rewards can produce some damaging reactions. For instance, employees may be tempted to conceal any problems they might be having and present themselves as infinitely competent to the manager in control of the money. Rather than ask for help—a prerequisite for optimal performance—they might opt instead for flattery, attempting to convince the manager that they have everything under control. Very few things threaten an organization as much as a hoard of incentive-driven individuals trying to curry favor with the incentive dispenser.

4. Rewards ignore reasons. In order to solve problems in the workplace, managers must understand what caused them. Are employees inadequately prepared for the demands of their jobs? Is long-term growth being sacrificed to maximize short-term return? Are workers unable to collaborate effectively? Is the organization so rigidly hierarchical that employees are intimidated about making recommendations and feel powerless and burned out? Each of these situations calls for a different response. But relying on incentives to boost productivity does nothing to address possible underlying problems and bring about meaningful change.

Moreover, managers often use incentive systems as a substitute for giving workers what they need to do a good job. Treating workers well—providing useful feedback, social support, and the room for self-determination—is the essence of good management. On the other hand, dangling a bonus in front of employees and waiting for the results requires much less effort. Indeed, some evidence suggests that productive managerial strategies are less likely to be used in organizations that lean on pay-for-performance plans. In his study of welders' performance, Rothe noted that supervisors tended to "demonstrate relatively less leadership" when incentives were in place. Likewise, author Carla O'Dell reports in *People, Performance, and Pay* that a survey of 1,600 organizations by the American Productivity Center discovered little in the way of active employee involvement in organizations that used small-group incentive plans. As Jone L. Pearce, associate professor at the Graduate School of Management, University of California at Irvine, wrote in "Why Merit Pay Doesn't Work: Implications from Organization Theory," pay for performance actually "impedes the ability of managers to manage."

5. Rewards discourage risk-taking. "People will do precisely what they are asked to do if the reward is significant," enthused Monroe J. Haegele, a proponent of pay-for-performance programs, in "The New Performance Measures." And here is the root of the problem. Whenever people are encouraged to think about what they will get for engaging in a task, they become less inclined to take risks or explore possibilities, to play hunches or to consider incidental stimuli. In a word, the number one casualty of rewards is creativity.

Excellence pulls in one direction; rewards pull in another. Tell people that their income will depend on their productivity or performance rating, and they will focus on the numbers. Sometimes they will manipulate the schedule for completing tasks or even engage in patently unethical and illegal behavior. As Thane S. Pittman, professor and chair of the psychology department at Gettysburg College, and his colleagues point out, when we are motivated by incentives, "features such as predictability and simplicity are desirable, since the primary focus associated with this orientation is to get through the task expediently in order to reach the desired goal." The late Cornell University

Punishment and rewards are actually two sides of the same coin. Both have a punitive effect because they are manipulative.

professor, John Condry, was more succinct: rewards, he said, are the "enemies of exploration."

Consider the findings of organizational psychologist Edwin A. Locke. When Locke paid subjects on a piece-rate basis for their work, he noticed that they tended to choose easier tasks as the payment for success increased. A number of other studies have also found that people working for a reward generally try to minimize challenge. It isn't that human beings are naturally lazy or that it is unwise to give employees a voice in determining the standards to be used. Rather, people tend to lower their sights when they are encouraged to think about what they are going to get for their efforts. "Do this and you'll get that," in other words, focuses attention on the "that" instead of the "this." Emphasizing large bonuses is the last strategy we should use if we care about innovation. Do rewards motivate people? Absolutely. They motivate people to get rewards.

6. Rewards undermine interest. If our goal is excellence, no artificial incentive can ever match the power of intrinsic motivation. People who do exceptional work may be glad to be paid and even more glad to be well paid, but they do not work to collect a paycheck. They work because they love what they do.

Few will be shocked by the news that extrinsic motivators are a poor substitute for genuine interest in one's job. What is far more surprising is that rewards, like punishment, may actually undermine the intrinsic motivation that results in optimal performance. The more a manager stresses what an employee can earn for good work, the less interested that employee will be in the work itself.

The first studies to establish the effect of rewards on intrinsic motivation were conducted in the early 1970s by Edward Deci, professor and chairman of the psychology department at the University of Rochester. By now, scores of experiments across the country have replicated the finding. As Deci and his colleague Richard Ryan, senior vice president of investment and training manager at Robert W. Baird and Co., Inc., wrote in their 1985 book, *Intrinsic Motivation and Self-Determination in Human Behavior,* "the research has consistently shown that any contingent payment system tends to undermine intrinsic motivation." The basic effect is the same for a variety of rewards and tasks, although extrinsic motivators are particularly destructive when tied to interesting or complicated tasks.

Deci and Ryan argue that receiving a reward for a particular behavior sends a certain message about what we have done and controls, or attempts to control, our future behavior. The more we experience being controlled, the more we will tend to lose interest in what we are doing. If we go to work thinking about the possibility of getting a bonus, we come to feel that our work is not self-directed. Rather, it is the reward that drives our behavior.

Other theorists favor a more simple explanation for the negative effect rewards have on intrinsic motivation: anything presented as a prerequisite for something else—that is, as a means toward another end—comes to be seen as less desirable. The recipient of the reward assumes, "If they have to bribe me to do it, it must be something I wouldn't want to do." In fact, a series of studies, published in 1992 by psychology professor Jonathan L. Freedman and his colleagues at the University of Toronto, confirmed that the larger the incentive we are offered, the more negatively we will view the activity for which the bonus was received. (The activities themselves don't seem to matter; in this study, they ranged from participating in a

Do rewards motivate people? Absolutely. They motivate people to get rewards.

The number one casualty of rewards is creativity. As the late John Condry put it, rewards are the "enemies of exploration."

medical experiment to eating unfamiliar food.) Whatever the reason for the effect, however, any incentive or pay-for-performance system tends to make people less enthusiastic about their work and therefore less likely to approach it with a commitment to excellence.

Dangerous Assumptions

Outside of psychology departments, few people distinguish between intrinsic and extrinsic motivation. Those who do assume that the two concepts can simply be added together for best effect. Motivation comes in two flavors, the logic goes, and both together must be better than either alone. But studies show that the real world works differently.

Some managers insist that the only problem with incentive programs is that they don't reward the right things. But these managers fail to understand the psychological factors involved and, consequently, the risks of sticking with the status quo.

Contrary to conventional wisdom, the use of rewards is not a response to the extrinsic orientation exhibited by many workers. Rather, incentives help create this focus on financial considerations. When an organization uses a Skinnerian management or compensation system, people are likely to become less interested in their work, requiring extrinsic incentives before expending effort. Then supervisors shake their heads and say, "You see? If you don't offer them a reward, they won't do anything." It is a classic self-fulfilling prophecy. Swarthmore College psychology professor Barry Schwartz has conceded that behavior theory may seem to provide us with a useful way of describing what goes on in U.S. workplaces. However, "It does this not because work is a natural exemplification of behavior theory principles but because behavior theory principles...had a significant hand in transforming work into an exemplification of behavior theory principles."

Managers who insist that the job won't get done right without rewards have failed to offer a convincing argument for behavioral manipulation. Promising a reward to someone who appears unmotivated is a bit like offering salt water to someone who is thirsty. Bribes in the workplace simply can't work.

HBR Reprint 2799

Alfie Kohn is the author of 14 books, including *No Contest: The Case Against Competition* and *Punished by Rewards*, from which this article is adapted. Kohn lectures widely at universities, corporations, and conferences on education and management. He lives in the Boston area, and you can find him online at www.alfiekohn.org.

Further Reading

ARTICLES

One More Time: How Do You Motivate Employees?
by Frederick Herzberg
HBR, January 2003
Product no. R0301F

In this HBR Classic, originally published in 1968, the psychologist and management expert Frederick Herzberg explored the distinctions between intrinsic motivational factors—such as achievement, recognition, responsibility, and advancement—and extrinsic, or "kick in the pants," elements, which may change behavior but ultimately lead to job dissatisfaction.

Employee Motivation: A Powerful New Model
by Nitin Nohria, Boris Groysberg, and Linda-Eling Lee
HBR, July–August 2008
Product no. R0807G

Motivating employees begins with recognizing that to do their best work, people must be in an environment that satisfies their basic emotional needs to acquire, bond, comprehend, and defend. The authors have identified four organizational levers managers can use to fulfill these needs; using real-world company examples, they articulate how to apply those levers in productive ways.

Adapting Your Workforce to **Intelligent Automation**

People with superhuman powers used to be the stuff of Hollywood movie magic. Today, they're the tangible result of people using intelligent automation, which is changing the way work gets done and the way organizations need to think about, and manage, their existing workforce.

By Cliff Justice & Claudia Saran

Principal, Innovation & Enterprise Solutions, KPMG LLP

Principal, People and Change Leader, KPMG LLP

Advances in automation have always driven change in the workforce. Intelligent automation, or IA, will be no different. Software robots may not displace every human worker from their job—indeed, they surely will not—but they will upend the balance between what gets done by human and what gets done by machine. In "The Future Of Jobs, 2027: Working Side By Side With Robots," Forrester Research, Inc. predicted that by 2018, automation will change every job category by at least 25 percent.

Early movers who have begun to implement IA have discovered that it's a more complex undertaking than originally imagined. They have found that the most fundamental questions posed by IA turn on these issues:

- How can our business profit from new economic opportunities enabled by IA, while simultaneously safeguarding the well-being of our employees and other stakeholders?
- How can we capture the cost savings and other bottom-line benefits of automation, while helping our human employees realize their potential to do higher-value work?
- How should we manage our transition to the workforce of the future?
- How will automation impact the customer experience, and how can we ensure that our businesses are prioritizing customers (internal and external) over cutting costs?

KPMG clients adopting IA confirm they are automating tasks within jobs but rarely automating entire jobs, a practice we expect to continue a few more years. In the meantime, organizations that wish to take advantage of IA—and we would be leery of any that do not—need to begin redesigning jobs, work teams, processes and functions as they build more intelligent, higher-performing enterprises.

> *"A nimble and productive workforce is central to effective adoption of intelligent automation."*

Shaping the workforce of the future

Creating an agile workforce strategy is not just about using the right technology. It's also about empowering the workforce with the right skill sets, structure and culture to be successful. This is what we mean by workforce shaping. It differs from more traditional workforce planning in six key respects:

1. The impact of IA on the workforce, and the skills required to take full advantage of IA, must be analyzed continuously rather than over the more typical three- to five-year time horizon.
2. This skill-set analysis must account for the new job families that will be created by IA, reflect tasks as they will be transformed by IA, and focus more on end-to-end processes than discrete duties.
3. Workforce shaping should be owned and conducted not solely by the human resources function but by business units and end-to-end process owners—facilitated by HR.
4. Workforce strategy must consider both traditional employees and contract workers (humans employed and not employed), as well as automation owned and not owned.
5. Traditional top-down work structures must give way to a team-based, end-to-end view of how work is organized, with critical roles driven not by hierarchy but by workers' skill sets and the value they add to the business.
6. A bias for scenarios with probabilities —based on horizon-scanning and an outside-in mindset—should be preferred over the current bias for "an answer" based on the organization's existing mindset.

In short, businesses must replace the relative certainties of traditional supply and demand forecasting that occurred under the heading of "Strategic Workforce Planning" with what could now be called "Agile Workforce Shaping." As they react to the challenges of intelligent automation, their ability to transform themselves with a nimble and productive workforce will be central to their ability to survive and grow.

To learn how to effectively integrate your human and digital resources, please visit KPMG.com/us/agileworkforce.

Executive Summaries

"Catalytic mechanisms sometimes use money to add bite, but the best ones also tap deeper wells of human motivation. The best people *never* work solely for money."

TURNING GOALS INTO RESULTS:
THE POWER OF CATALYTIC MECHANISMS
PAGE 84

22 | Manage Your Work, Manage Your Life

Boris Groysberg and Robin Abrahams

Senior executives have discovered through hard experience that prospering at their level is a matter of carefully combining work and home so as not to lose themselves, their loved ones, or their foothold on success. To learn how they reconcile their professional and personal lives, the authors drew on five years' worth of interviews with almost 4,000 executives worldwide, conducted by students at Harvard Business School, and a survey of 82 executives in an HBS leadership course. The stories and advice of these leaders reflect five main themes: defining success for yourself, managing technology, building support networks at work and at home, traveling or relocating selectively, and collaborating with your partner.

Some intriguing gender differences emerged in the survey data. For example, men still think of their family responsibilities in terms of breadwinning, whereas women often see theirs as role modeling for their children. And male executives tend to praise their partners for making positive contributions to their careers, whereas women praise theirs for not interfering. Executives of both sexes consider the tension between work and family to be primarily a woman's problem, and most of them believe that one can't compete in the global marketplace while leading a "balanced" life. "Earnestly trying to focus," the authors conclude, "is what will see them through."

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32 | No, You Can’t Have It All

Eric C. Sinoway

Many of us are struggling to chart a path toward success in our careers and a sense of fulfillment in all aspects of our lives. But we can’t excel simultaneously in every role. Instead, at various points in life we must choose what to emphasize and what to relinquish. The goal is to make that decision consciously instead of unwittingly letting go of the most important item.

The author presents a framework he designed with Howard Stevenson, a business professor who has played many roles throughout his life, to help ambitious executives understand their limits and make tough trade-offs. It starts with considering all the dimensions of your life, developing a vision of yourself for the present and for the future, and then evaluating how your options advance you toward your goals.

Where do your options fall on the needs–wants spectrum? Most things fall somewhere in the middle. Some wants are so strong that it’s difficult to separate them from needs.

What are the investment and opportunity costs? Most decisions involve both kinds of costs. The challenge is to understand if incurring them will help you achieve your goals.

Are the potential benefits worth the costs? Does the benefit you’ll receive warrant the investment you’ll have to make?

Can you make a trade? Many of us try to exchange something we have for something else that we want. But sometimes the two items can’t be traded. Money, for instance, cannot buy health.

Have you considered sequencing your most valued options? Consciously staggering your goals may enable you to be equally successful in many dimensions over time.

HBR Reprint R1210J

38 | Reaching Your Potential

Robert Steven Kaplan

Despite their lofty job titles and impressive pay, many high-achieving executives feel professionally dissatisfied and unfulfilled. Looking back, they wish they’d accomplished more or even chosen a different career altogether. Often they feel trapped in their jobs.

In this article, Kaplan, a Harvard Business School professor, examines why people arrive at this impasse—and offers them guidance on how to break through it and reach their full potential. That goal isn’t about getting to the top, he says. Rather, it’s about taking a very personal look at how you define success in your heart of hearts, and then finding your own path there.

To discover your way, you need to step back and reassess your career, recognizing that managing it is your responsibility. Many people feel like victims when, in fact, most career wounds are self-inflicted. Taking control begins with understanding yourself: seeking frank feedback about your strengths and weaknesses from colleagues above and below you, and figuring out what you truly enjoy doing. That understanding—not other people’s definition of success—should guide your career choices and goals. Next, it’s critical to identify the three or four tasks central to your business and make sure you excel at them; otherwise, success is likely to elude you.

Once you’ve chosen the right enterprise, you must show character and leadership. Great executives put the interests of their company and colleagues ahead of their own. They’re willing to speak up, even to voice unpopular views. Many managers hit a plateau because they play it too safe. But those that identify their dreams, develop the skills to realize them, and demonstrate courage will find fulfillment—even if they hit bumps along the way.

HBR Reprint R0807C

44 | Leadership Run Amok: The Destructive Potential of Overachievers

Scott W. Spreier, Mary H. Fontaine, and Ruth L. Malloy

The desire to achieve is a major source of strength in business, and it is on the rise. The authors’ consulting firm has seen a steady increase in the extent to which achievement motivates managers. There’s a dark side to the trend, however. By relentlessly focusing on tasks and goals, an executive or company can damage performance. Overachievers tend to command and coerce, stifling subordinates.

Psychologist David McClelland identified three drivers of behavior: *achievement,* meeting a standard of excellence; *affiliation*, maintaining close relationships; and *power,* having an impact on others. He said the power motive comes in two forms: personalized, in which the leader draws strength from controlling people, and socialized, where the leader derives strength from empowering people. Studies show that great charismatic leaders are highly motivated by socialized power.

To look at how motives and leadership style affect a group’s work climate and performance, the authors studied 21 senior managers at IBM. The leaders who created high-performing and energizing climates got more lasting results by using a broad range of styles, choosing different ones for different circumstances. Rather than order people around, they provided vision, sought buy-in and commitment, and coached.

If you’re an overachiever seeking to broaden your range, you can study your actions and ask your team, peers, and manager to give you honest feedback. You can adopt specific new behaviors, such as engaging your team in a discussion of how to achieve goals, rather than issuing a set of directives. The company as a whole can play a part, too: Organizations must learn when to draw on the achievement drive and when to rein it in.

HBR Reprint 4486

56 | Can You Handle Failure?

Ben Dattner and Robert Hogan

Handling failure and blame is key to managerial success. But roughly 70% of Americans have a personality type that tends to react inappropriately when things go wrong. Some people are *extrapunitive,* always pointing a finger at someone else. Others are *impunitive,* denying there's a problem or that they played any role. And still others are *intrapunitive,* heaping too much blame on themselves and seeing disasters where none exist.

Fortunately, there are ways to fix such flawed responses. The first step is to cultivate self-awareness; several personality tests can help you assess your interaction style. Next, deepen your political awareness to better understand what messages others are receiving.

Once you've identified your bad habits, you can move toward more-adaptive responses. Dattner and Hogan describe several strategies that can benefit any of the personality types. You should make sure to listen and communicate well, reflect on the situation and the people involved, think carefully before acting, and look for lessons when mistakes do happen.

Using detailed examples, the authors illustrate how people with the various personality types are apt to react to specific failures and explain what they might do differently. They also offer insights to help you recognize when your bosses, peers, or subordinates fit into one of the problematic categories and suggest ways to influence their behavior. The taxonomy and tactics they present will help you approach failure with an open mind and react in a balanced, constructive way.

HBR Reprint R1104L

76 | Get Your Team to Do What It Says It's Going to Do

Heidi Grant

It's one thing to set goals—and entirely another to get the people in your organization to actually accomplish them. To make the leap from vision to execution, you can't just define what needs doing; you also need to spell out the details of getting it done. One motivational tool that enables this is "if-then planning," which helps people express and carry out their intentions.

If-then plans work because contingencies are built into our neurological wiring, says social psychologist Halvorson. Humans are very good at encoding information in "If x, then y" terms and using such connections to guide their behavior, often unconsciously. When people decide exactly when, where, and how they'll fulfill a goal, they create a link in their brains between the situation or cue (If or when x happens) and the behavior that should follow (then I will do y). This creates powerful triggers for action.

To date, most of the research on if-then plans has focused on individuals, but new studies show that they're very effective with groups, improving performance by sharpening focus and prompting members to execute key activities in a timely manner.

If-then planning helps organizations avoid poorly expressed goals, groupthink, the tendency to cling to lost causes, and other problems. It pinpoints conditions for success, increases everyone's sense of responsibility, and helps close the troublesome gap between knowing and doing.

HBR Reprint R1405E

84 | Turning Goals into Results: The Power of Catalytic Mechanisms

Jim Collins

Most executives have a big, hairy, audacious goal. They write vision statements, formalize procedures, and develop complicated incentive programs—all in pursuit of that goal. In other words, with the best of intentions, they install layers of stultifying bureaucracy. But it doesn't have to be that way.

In this article, Jim Collins introduces the *catalytic mechanism,* a simple yet powerful managerial tool that helps translate lofty aspirations into concrete reality. Catalytic mechanisms are the crucial link between objectives and performance; they are a galvanizing, nonbureaucratic means to turn one into the other.

What's the difference between catalytic mechanisms and most traditional managerial controls? Catalytic mechanisms share five characteristics. First, they produce desired results in unpredictable ways. Second, they distribute power for the benefit of the overall system, often to the discomfort of those who traditionally hold power. Third, catalytic mechanisms have teeth. Fourth, they eject "viruses"—those people who don't share the company's core values. Finally, they produce an ongoing effect.

Catalytic mechanisms are just as effective for reaching individual goals as they are for corporate ones. To illustrate how catalytic mechanisms work, the author draws on examples of individuals and organizations that have relied on such mechanisms to achieve their goals. The same catalytic mechanism that works in one organization, however, will not necessarily work in another. Catalytic mechanisms must be tailored to specific goals and situations. To help readers get started, the author offers some general principles that support the process of building catalytic mechanisms effectively.

HBR Reprint 3960

100 | Demand Better Results—and Get Them

Robert H. Schaffer

Expecting performance improvements—along with verbalizing and committing to the expectation—can be daunting for managers. They may fear encountering resistance, resentment, or rejection from subordinates, or worry about embarrassment if ambitious goals aren't met. These psychological obstacles can lead to avoidance mechanisms that perpetuate the illusion that improvement is impossible. But enormous gains can be realized if leaders can overcome these stumbling blocks and assert this underdeveloped management skill.

In this classic article, first published in 1974, management consultant Robert H. Schaffer offers a five-step strategy to help managers counter avoidance mechanisms and organizational resistance:

1. Select the goal. Start with an urgent but circumscribed problem.

2. Specify the minimum expectation of results. Objectives should be specific and measurable.

3. Communicate the expectations clearly. Make it understood that the goals not only *should* be met but *must* be met.

4. Monitor the project, but delegate responsibility. Assign responsibility of each goal to one person, and outline how progress will be measured and reported.

5. Expand and extend the process. Once the first goal has been successfully met, repeat the process with new or larger demands.

When expectations are clearly conveyed and employees are given a step-by-step strategy for achieving them, subordinates most often respond to the higher demands. You'll find they not only accomplish what is expected but actually enjoy working in a more results-oriented environment.

HBR Reprint 4495

108 | The Science of Pep Talks

Daniel McGinn

The ability to deliver an energizing pep talk is a prerequisite for any business leader. But few managers receive formal training in how to give one. Instead, they learn mostly by emulating inspirational bosses, coaches, or even fictional characters.

However, research shows there is a science to psyching people up for better performance. According to motivating language theory, most winning formulas include three key elements: direction giving, or describing precisely how to do the task at hand; expressions of empathy, or concern for the performer; and meaning-making language, which explains why the task is important.

All the evidence suggests that, once leaders understand these three elements, they can learn to use them more skillfully.

HBR Reprint R1704L

114 | Why Incentive Plans Cannot Work

Alfie Kohn

It is difficult to overstate the extent to which most managers and the people who advise them believe in the redemptive power of rewards. Certainly, the vast majority of U.S. corporations use some sort of program intended to motivate employees by tying compensation to one index of performance or another. But more striking is the rarely examined belief that people will do a better job if they have been promised some sort of incentive.

This assumption and the practices associated with it are pervasive, but Alfie Kohn examines a growing collection of evidence that supports an opposing view. According to numerous studies in laboratories, workplaces, classrooms, and other settings, rewards typically undermine the very processes they are intended to enhance. The findings suggest that the failure of a given incentive program is due less to a glitch in that program than to the inadequacy of the psychological assumptions that ground all such plans.

Do rewards work? The answer depends on what we mean by "work." Research suggests that, by and large, rewards succeed at securing one thing only: temporary compliance. They do not create an enduring commitment to any value or action. They merely, and temporarily, change what we do. Kohn explains why rewards fail in a six-point framework: Rewards do not motivate; they punish; they rupture relationships; they ignore reasons; they discourage risk taking; and, finally, they undermine interest.

Any manager thinking about a new incentive program—or attached to an old one—would do well to consider Kohn's argument. According to Kohn, incentives (or bribes) simply can't work in the workplace.

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