Ted

The candle problem -> 1945: in room, give you this, your job is to attach the candle to wall so it doesn’t drip in the table. Most people after 5-10 min have solution: overcome functional fixedness -> you look at box and only see it as a receptacle for tacks, but it can also be used as a platform for candle: this is the candle problem.

Using candle problem to show the power of incentives: time how long it takes to solve this and say this to 2 different groups.   
Group 1: time to establish norms averages for how long it typically takes someone to solve this sort of problem.   
Group 2: offer reward -> if your in the top 25% of the fastest times, you get five dollars. Fastest of everyone tested here you get 20 dollars. This money is a nice motivator. -> incetivicer   
Group 2 took on average, three and a half minutes longer to solve this problem then group 1. Weird? If you want people to preform better, you reward them, right? Incentive them.   
But that’s not happening here: you’ve got an incentive designed to schepen thinking and accelerate creativity, and it does just the opposite, it dulls thinking and blocks creativity. These motivaters don’t always work and somethings make it worse.

How we motivate people (like in businesses) is built entirely around these extrinsic motivators. This reward-and-punisment doesn’t always work anymore and often does harm.

If you do the experiment again (the candle problem with group 1 and 2) but take the tax out of the box, group 2 kicks group 1’s butt. -> there reward-and-punisment sistym works this motivaers: narrowd goal

The computer/software is better and faster then the left brain, so the right brain gets more importend -> needed to solve this problem.

Motivaters work best if there are clear rules and one solution, otherways is doesn’t work and can even do harm.

**We are all dealing with our own version of the candle problem, here those if-then rewards, don’t work! This is a fact**

Test are being done over (with how better how higher reward) turns this out: as long as the task involved only *Mechanical* skill, bonuses worded as thy would be expected: “the higher the pay, the better the performance, but once the task called for “even *rudimentary cognitive skill*,“ a lager reward “led to *poorer performance*.”” – D. Ariely

Also: “in eight of the nine tasks we examined across the three experiments, *higher incentives led to worse performance*.”

Economist looked at 51 studies for pay-for-performance plans, inside of campanies. They said: “we find that financial incentives can result in a *negative impact* on overall performance” – DR. bernd irlenbusch

This helps: there is a mismatch between what science knows and what business does. But we all keep doing this if-then rewards, our how system is based on this and that is the problem

Scientist have a given us a new approach: it’s built much more around intrinsic motivation. Around the desire to do things because they matter, because we like it, they’re interesting, or part of something important.

New business plan evolves about 3 things:

* Autonomy: the urge to direct our own lives
* Mastery: the desire to get better and better at something that matters
* Purpose: the yearning to do what we do in the service of something larger than ourselves

These are the building blocks of an entirely new operating system for our businesses.

Fedex days -> in 24 do something you want, that isn’t your normal work. You have to make something in 1 day. People make stuff that otherways wouldn’t have existed. It works so good that instead of 24 hours they make it 20% of the time, like at google.

Rowe (Results Only Work Environment): people don’t have schedules to work with, as long as they get their work done. The rest is op to them