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THE HEART OF LEADERSHIP

Motivating Others

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Leaders must understand the context in which they are leading if they are to be effective. But it's possible for a leader to understand the context without knowing how to motive the team members in that context. If you can't motivate your team, you won't be effective no matter how well you may intellectually understand the context of your organization.

Human nature being what it is, people generally respond well to the same kind of treatment no matter what the context. Perhaps surprisingly, I have found that most of what motivates workers are non-rational incentives, so I devote the greatest part of this essay to discussing these motivators.

The Importance of Motivation

John Gardner, the author of several books on leadership, believes that the ability to motivate is the leader's most important attribute. He calls it "the heart of leadership." Effective leaders not only motivate people to act, but also build confidence in their subordinates and inspire them to become leaders themselves.

How, then, should leaders motivate their constituents? Traditional incentives such as pay and promotion are effective, but I think people work best when they really believe in what they are doing and feel part of what is going on. Studies conducted by Harvard professor Elton

Mayo more than 70 years ago at the Western Electric Hawthorne Works in Chicago found that the group of workers who were studied improved their productivity no matter how much the researchers varied their work conditions. Mayo and his team concluded that workers had needs and expectations that went beyond rational and economic incentives and that the workers were pleased that the researchers showed so much interest in them. They, in turn, wanted to please the researchers. The results have become known by the famous term the "Hawthorne Effect."

Today, when job movement is much more prevalent, people feel less connected with an organization because it can merge any day with another organization. Organizations are, in general, much bigger than they have been in the past. This causes a loss of identity and feelings of alienation among employees. It's more difficult, but still possible, to use nonrational incentives in such an environment, and the effort is worth it in terms of the objectives of the organization.

Bring Workers into Planning

People need to feel that, in addition to what is going on, they are being listened to, that their job is important, and that decisions just don't get dumped on them without anyone explaining why. You need to make them part of the process of determining how their area moves forward. Thus it would be foolhardy for a board of directors to come up with a strategic plan for the organization. What the directors must do is to require management to come up with a strategic plan that they can approve. If management comes up with the plan, the managers are going to feel part of the process and committed to it and believe that it is "their plan," not the board's plan. This process shouldn't stop with top management; it should go all the way down the line.

Someone might object and say, "That could take a lot of time." If the process is well organized, the time it takes will be more than paid for in the quality of the plan that is realized by people who know what's going on at their level. They can come up with better ways to change things than someone peering down from the ivory tower of the executive office. Many times, down in the organization, people talk about a new decision that is absolutely wrong, that they believe was put together by some idiot in the executive office who didn't really understand what was going on. It happens all the time and it's debilitating to an organization. It fosters an "us versus them" attitude.

Communicate in Person

Communication is absolutely essential to all parts of the organization so that people feel that they know what is going on, what is going to happen, and, hopefully, that they have some input into their own destiny. Some leaders believe that this can be done solely by memo and the house organ. These are important means, but the leader also has to go out as much as possible and do this in person. The benefits of the leader spending a good amount of time out in the line organization interacting with people and listening to their thoughts are very significant. And the fact that the leader has taken the time to be there is critical to the people's morale.

Keep the Executive Office Lean

Today, in some organizations that are highly centralized, decision making gets moved more and more to the corporate offices. This is often a mistake when more and more decision making should be taking place in the divisions. The only real way to guard against this problem is to keep a lean executive office.

As a part of the impulse to augment the executive office, there is the tendency to overpay executive office people and underpay the line staff. If you look at those who are contributing to your revenues and profits, who are meeting the customers, who are in charge of developing the people, you will almost invariably come up with line managers. But often if you compare their pay to that of some in the executive office, it seems out of whack. To admit this is not to demean the executive office's functions or the functional organizations that are needed in today's Sarbanes-Oxley regulated world. But nothing can substitute for top leaders out in the field where the rubber meets the road getting the job done. It's a terrific motivator for people to have the feeling that they are out there where it is happening, that they are making most of the decisions based on firsthand knowledge, that there isn't some bureaucratic morass keeping them from moving ahead and getting the job done, and that they are being recognized for what they accomplish.

Head Off Turf Battles

Instead of moving decision making to the operating units, people often are hampered by the turf consciousness that builds up in certain bureaucratic organizations including, in some cases, academic institutions. It's not a case of what is best for the organization; it is a matter of who has the right to make the decision.

Respect Dissent

Most leaders have a strong intuition that allows them to sense and cope with dissent. To what degree, however, should leaders be willing to respect and accept dissent within their organizations? On the surface, it might appear that dissent can potentially undermine leadership by challenging the leader's authority. That need not always be the case, though, according to recent research by Michael Roberto, author of *Why Great Leaders Don't Take Yes for an Answer*.[1]

Roberto argues in his book that one of the most serious dangers leaders face is that they allow themselves to be surrounded by yes men who agree with everything the leader says. When this happens, the leader gets isolated and doesn't hear bad news until it is too late. According to Roberto, strong leaders are not afraid to encourage dissent and debate—but they take care that these discussions are constructive. Dissent, discussions, and debate are crucial to achieving genuine consensus. "Powerful, popular, and highly successful leaders hear 'yes' much too often, or they simply hear nothing when people really mean 'no.' In those situations, organizations may not only make poor choices, but they may find that unethical choices remain unchallenged," he says.

Roberto believes that organizations pay a high price when dissent is absent and poor decisions go unchallenged. Citing examples such as the Columbia disaster in February 2003, when the space shuttle disintegrated while reentering earth's atmosphere, and the Bay of Pigs incident of 1961, when a band of Cuban exiles "invaded" Cuba with the support of the U.S. government. In both cases, there were dissenting voices that were not heeded. He says that the best ally that a leader can have is a strong team of skeptical colleagues who are not afraid to speak up to challenge a misguided or ill-thought-out course of action. Although this might lead to a certain amount of conflict, it is a small price to pay for avoiding a much greater disaster down the road.

"Conflict alone does not lead to better decisions," Roberto notes. "Leaders also need to build consensus in their organizations. Consensus...does not mean unanimity, widespread agreement on all facets of a decision, or complete approval by a majority of organization members. It does not mean that teams, rather than leaders, should make decisions. Consensus does mean that people have agreed to cooperate in the implementation of a decision. They have accepted the final choice, even though they may not be completely satisfied with it."[2]

Build Confidence in Your People

Confidence is something your people must have. It's debilitating if they don't. A person who lacks confidence will be merely a cog in the machine who does whatever he or she is told and completely lacks initiative. You want people who can make appropriate decisions at their level and are not waiting to be told what to do in every case. As I have said before, *He can who thinks he can*. The value of having a team of people who are not afraid to take positions, who are not afraid to make appropriate decisions in their area, who have confidence that they are in a position to make the best decisions, is immeasurable. It's powerful. If you put that together with a positive, forward-thinking attitude, you've got a winning combination.

A loss of confidence in an individual or an organization is a sure way to produce underachievement. Nothing is more debilitating to an organization than people who are filled with pessimism, malcontents who have a lack of confidence in themselves and the organization. You need to bring out the ultimate human potential in the individuals in the organization, and that has to be done with motivation, praise, communication, high expectations, respect, and confidence overlaid with a good dose of realism. You never want to be a leader who hollers at your workers in front of other people, demeans them for making a mistake, or generally treats them as if they're an inferior cog in the wheel. I am opposed to coaches who yell at players after they make a mistake on the floor during the game. No matter how much such so-called "tough managers" believe that this approach gets their job done, it never produces the high results that a positive approach can. Remember that one of the most successful basketball coaches in the history of the college game was John Wooden of UCLA. He approached coaching as *teaching* his players, and he knew he could teach them more by patience and respect than by yelling at them. Yes, I know that Bobby Knight has won a lot of basketball games, but I wouldn't want to play on his team, and today your top employees have a lot of options in other organizations.

You can get much more out of people in praising them and giving them credit in supporting them than the reverse. How many CEOs have you heard say, “I don’t have people who are willing to take responsibility, make decisions, and take risks.” If they were to look in the mirror, they would probably see that they made the people that way. At minimum, as a leader you are responsible for not changing the environment to one that encourages people to act in ways you profess they should not.

If people can’t do the job, you have to fire them. You have to look out for the total organization, and everybody has to be able to carry their weight. But while they are there, you need to get the most you can out of their potential, and that is much better achieved by high expectations and praise than constant criticism and harangue. People want to be an organization where the glass is half full, rather than half empty. They want to be in organizations where when the going gets tough, the tough get going. They want to be in an organization where that’s not a problem, it’s an opportunity.

Tie Pay to the Strategic Plan

After discussing nonrational incentives, I end with a very rational motivator: pay. It is a very important part of motivating workers. Today, pay and promotion are used more frequently to motivate employees than maintaining a secure long-term relationship with the company in which the employee feels a part of what’s going on. However, pay has unfortunately become tied more and more to a percentage figure of profit in an organization. Profits are important, but they are only one element of myriad goals to be achieved in most strategic plans. And in the long term, the overall strategic goals are more important than short-term profits.

Although profits are not easy to measure, it’s easy to use the P&L number people designate as profit as a metric to decide what bonus to pay people. However, a truly effective pay system and promotion system must be tied to the strategic plan of the organization and the strategic plans of the individual units. You may hear the cry, "How can we measure all these soft items such as developing people, introducing new products, putting in a new marketing program, reducing turnover?" Further complicating this metric is that few managers want to be measured on growth as a factor as important as profit. Yet growth of the enterprise is at least as important in the long run as profits. These things and other more macro items in the strategic plan can be measured. It's not easy, but it can be done.

An effective incentive pay system has to be tied to the overall strategic plan. If you give one person responsibility for the strategic plan and someone else responsibility for the pay system, and they are not connected, who do you think is going to win? Obviously, it will be the person with the pay system. It doesn't take people long to figure out how the organization decides how much to pay people and gravitate to a behavior necessary to meet the incentive. If the incentive is purely profit, you are going to find that a lot of other things—especially investments for long-term growth—will get shortchanged. And if you continually push hard enough on the profit button, you may even find that some of the numbers seem to get distorted in order to "make the plan."

Summary

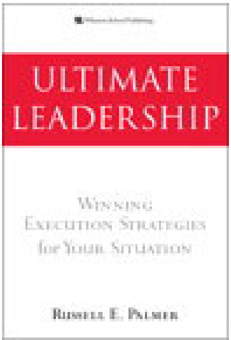
- You need to motivate workers if they are to realize the organization's long-term strategic goals. The value of having a team of people who are not afraid to take positions, who are not afraid to make appropriate decisions in their area, who have confidence that they are in a position to make the best decisions, is immeasurable. It's powerful. If you put that together with a positive, forward-thinking attitude, you've got a winning combination.

- Understand the needs and goals of the individuals in the organization.
- Build confidence in the future of the organization.
- Bring workers into the planning process and make them a stockholder.
- Communicate in person to as many in the organization as possible.
- Keep the executive office lean.
- Recognize and head off turf battles.
- Respect dissent and listen to it carefully before making decisions.
- Build confidence in your people by positive rather than negative means.
- Tie pay to the strategic plan, not just the quarterly profit figure.
- You will retain more of your best people when you motivate them by nonrational as well as rational means.

Endnotes

1 Wharton School Publishing, June 2005.

2 *Why Great Leaders Don't Take Yes for an Answer*, Chapter One, Wharton School Publishing, 2005.



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