

BEYOND EMPLOYEE ENGAGEMENT



*How managers can get
employees to love coming in to
and give their work their 100%*

Actuate Microlearning

India's First Live-Action Video Microlearning

*“To handle yourself, use
your head; to handle
others, use your heart.”*

- Eleanor Roosevelt

Chapter 1:

The Trouble with the Way Managers Manage Employees Today



Organisations are demanding more of their employees today.

The truth is that teams today are getting leaner even as organisations are setting increasingly stringent goals for themselves and, by extension, their employees. Existing employees are thus being called upon to shoulder more than their share of the burden.

If you, as a leader, find yourself in this situation then it would pay for to recognise that what you are trying to achieve here is get your team members to accept an even more challenging goal than they have in the past.

You are asking your team to put in that *discretionary* effort that will move their productivity even higher; to move performance to super-performance. And, not only do you want to them to accept these more stringent goals, you want them to be *happy* accepting such goals.

Modus Operandi

Now, here is what we at Actuate Microlearning have seen leaders do when it comes to getting their team members to accept and deliver on stretch goals.

How managers usually drive goal achievement:



They communicate these goals to the team

They promise their team a reward for goal achievement,



They threaten some action for non-achievement.



They hope this reward and punishment mechanism, otherwise known as the 'carrot and stick' approach, will help them achieve these

stretch goals.



Our experience and research in the field of productivity seems to state otherwise.

Do Cash Bonuses Boost Performance?

Dan Ariely, a behavioural economist, has run multiple experimentsⁱ to unearth the optimum means of motivating employees to improve performance. One of his experiments, interestingly, was run in India.



Here, he enlisted volunteers, who were broken into three groups. One was offered a small incentive, the other a slightly larger incentive than the first group, and the third group was given a disproportionately large incentive to complete a task. What he found was that the groups that were given low and medium incentives fared well at the task. The group that was given the largest incentive fared the worst. His studies found that when the prospect of the reward is huge - that is when people have a large reward to win, which they could lose in the event of a failure - their brain freezes up, and they fail to perform as desired. In a subsequent experiment, Ariely found that when the task in question doesn't cerebrally challenge the performer too much, i.e. if it is not too complex, incentives worked. However, when the mental task is complex, incentives lowered performance.

In another experimentⁱⁱ, this time, which he conducted in conjunction with chipmaker Intel, he found that offering cash incentives brought about a temporary increase in performance. But once people received their incentives, their performance dipped in the following period.

Bottom-line: cash incentives have a limited ability to drive performance. Its effects can, at best, be temporary, and work best when the task does not involve much of a challenge, cerebrally.

Cash incentives:

1 *Have limited*
• efficaciousness



2 *Work temporarily; and mostly for*
• non-cerebral tasks



Cash Bonuses and Fraud

It was a fraud that ensnared two million customers, cost the organisation one hundred and eighty-five million dollars in fines, in addition to five million dollars in reparation to customers, and led to the termination of the employment contract for five thousand three hundred of its employees.

The organisation in question is Wells Fargo, and the fraud involved salespeople opening more than two million unauthorised deposit and credit card accounts and sticking customers with almost two and a half million dollars in fees.

What prompted this fraud? Investigations revealed a system of stiff targets and high incentives. High performance was being rewarded with huge incentives, and failure carried serious ramifications (the traditional carrots and sticks approach). The employees, driven by greed and fear, responded by deliberately defrauding customers.

A culture of stiff targets and high incentives cost Wells Fargo:

- \$185 Million in fines,
- \$5 Million dollars in customer reparations
- 5,300 employee contract terminations



Wells Fargo has since changed its sales incentives practices. The company still has sales targets, but salespeople are now rewarded based on how well they meet customer needsⁱⁱⁱ.

It's one of the dangers of using incentives – the carrot - as the primary means of achieving stretch goals. It can tempt people to use fraudulent means of meeting those goals.

So, is cash not important at all?

Money is important. All of us work for money. And all of us love a pay-hike. However, here's the thing about pay hikes: it is like driving a new car. When it first rolls out of the dealership, you are all excited about the novelty of your newly acquired set of wheels. But you soon get used to it; the novelty soon wears off. Similarly, all of us love a pay hike. However, we soon acclimatise to the pay-hike and what it can buy us, and soon, the excitement wears off.

Bottom-line:

Money gets your employees in through the door. How much they give of themselves in the pursuit of stretch goals requires you as their leader to offer people a lot more than financial incentives.

Does Fear Motivate?

We have covered the concept of fear appeal messages in an earlier chapter in this book. Fear, as a means of driving performance, works, if used in the right

measure and with the right people. Overused, or if used with the wrong people, it is counterproductive.

Also, as we had seen in the case of Wells Fargo, fear of severe repercussions can, in some cases, drive deviant behaviour which can have huge financial and reputational repercussions for the leader and for the organisation.

Fear of repercussions can often drive
deviant behaviour.



What Then? How Can Leaders Motivate Team Members to Take on Stretch Goals?

Remember, no material reward is ever going to get you discretionary effort. That requires meeting a completely different set of needs that we humans possess; needs, we can identify if we study the lives and stories of men and women who have gone on to achieve greatness in any endeavour.

Most instances of quantum leaps in progress in any field or the achievement of extraordinary human feats almost always involve individuals pursuing a dream, going way beyond the call of duty, investing their blood, sweat and toil, often at great peril and cost to self.

Think, Gandhi, setting out on the Dandi March, or rallying the citizens of India to rise in non-violent struggle against the Empire. Think sporting greats like Cristiano Ronaldo, Serena Williams, Usain Bolt, and their ilk sweating away in gyms and on the field trying to perfect their technique. Think, the engineers hammering away at their keyboards in garages worldwide, trying to build the next tech giant.

What drives these men and women? Financial rewards in some cases, but in most cases, there is generally a higher cause involved. At least, a perceived one.

It isn't money alone that
drives greatness.



A vision of an independent India drove Gandhi. Tech engineers who ignore the clock and personal welfare, in their quest to build the next big thing, genuinely believe they're on to something that will forever change the way the world works. Or perhaps it to prove, if only to themselves, that they're the finest minds on the face of the planet?

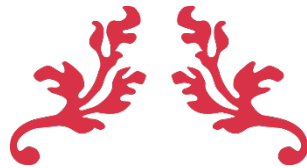
These motivations, you will note, go well beyond the material or self-preservation needs and appeal to higher, deep-set psychological needs that we humans possess. It is the pursuit of these needs – and their fulfilment - that drives people to give the task at hand their all. These individuals work not for the rewards, but because they find the task at hand, and the endeavour that task is aligned towards, intrinsically rewarding. Psychologists term this 'intrinsic motivation' and is the antithesis of the extrinsic – carrot and stick - method of motivation.

In the words of psychologists, **Dennis Coon** and **John Mitterer** "Intrinsic motivation occur when we act without any obvious external rewards. We simply enjoy an activity or see it as an opportunity to explore, learn, and actualize our potentials."

The best leaders recognise that we humans are driven by our desire to satisfy certain deep-set psychological needs. And, such leaders help their team members meet these needs. Such leaders – and only such leaders - will find their team members willingly going beyond the call of duty in the endeavour to meet stretch goals.

Leaders, who care about these needs are those that find their team members putting in that discretionary effort and pulling off borderline superhuman feats that will propel you to levels of success hitherto unimagined.

But what in practical terms do we mean by intrinsic motivation? And what exactly are the needs that leaders need to facilitate for their team members?



Chapter 2:

How to Build Intrinsic Motivation



If cash bonuses (the carrot) and fear (the stick) don't work to ensure that employees are motivated to come in to work everyday and give their work their everything, then what does?

Here are five 'tools', based on scientific research, that will help you achieve the twin objectives of getting employees to love coming in to work every day, and once in, give their work their everything:

a. Explain the 'Why' Behind the 'What'; Show Them Their Work Matters

Scientist and author, Mihaly Csikszentmihalyi, in the course of his studies^{iv}, encountered people who seemed to be completely consumed by the work that they were involved in, even when this work involved great mental and physical hardships. He sought to find why.

His studies revealed that



We humans will willingly accept stretch goals and also give it our all, when we see our work and ourselves as being part of something larger than us; when we see that our work matters in the larger scheme of things.

Knowing that we and our work matters is a deep-set psychological need that we humans possess. The best leaders will take cognizance of this need.

Practical Steps You as Leader Can Take

a. Show them the big picture

Does their work make a difference in the larger scheme of things? Whom does the organisation serve? Does this service make a difference to people and to the world at large? Show your team members how the work that they do makes a difference.

b. Show people that their work matters

Show your team members how the individual roles that they play interweave in the tapestry that forms your organisation. Show them how the little tasks that they do daily are so vital in ensuring the success of the organisation. Get them to see how the organisation's success, and perhaps its very existence depends on them and the work that they perform. Help them see that their work – and consequently, they – matter. You will see your team members beginning to willingly accept stretch goals and give it their everything.

b. Facilitate the development of strong social connections

We are social animals. As Matthew Lieberman, Scientist and Professor of Psychology at UCLA says,

Our brains are hardwired for social connections. We function at our best when the connections that we share



This is a deep-set psychological need that we humans possess.

Now, consider the fact that we spend more than 60% of our waking hours at work, or on activities related to work (viz., commute, after office socialising), and it becomes easy to understand why the quality of our workplace relationships has a huge bearing on how engaged we feel at work.

According to Consulting major, Gallup,

people who reported to having a good friend at work have been noted to be *seven times more likely* to be engaged in their jobs.

The sense of belonging and being connected to other people in a workplace can have a major impact on motivation. Healthy relationships at workplace offer many advantages: work becomes more enjoyable when we have good relationships with those around us. Also, people are more likely to go along with changes that we as managers want to implement, and they'll be more innovative and creative. Further, strong workplace relationships, tend to

reduce chances of misunderstandings and conflicts which reduce the productivity of employees.

How you as a leader can implement this insight:


- a. Facilitate the development of strong workplace relationships for your team members. Help resolve conflicts and smooth out differences between team members**
- b. Teach them how to give and receive feedback, and to resolve conflicts**
- c. Initiate team bonding and building activities**
- d. Be watchful and unearth instances of relationships between team members turning sour. Help people mend relationships**
- e. Ensure that your relationships with your team members are empowering, encouraging and amiable**

c. Allow them the freedom to make decisions

People value the need to determine their own path and destiny. They crave autonomy. It is a deep-set psychological need that every human experience.

Autonomy refers to freedom – the freedom to operate and make decisions in one's role or job.

As we had seen in a preceding chapter, where we had discussed Mark Muraven's research,



People have a deep desire to know that they are the drivers of their own actions and that they are not being compelled by an external force to

Going beyond the human need for autonomy, a study^v by Cornell University revealed that

The case for autonomy and its impact on financial metrics in organisations couldn't be stronger. You, as a leader, need to take cognizance of this fact.

Organisations that
**ENCOURAGED
AUTONOMY**

*grew at four times the rate
of those with more rigid rules.*



Google recognised this fact and was the motivation behind their now famous 20 percent time concept. Google encourages its employees to spend 20 percent of their time working on their own projects. And as a bonus, this autonomy that Google provides its employees with has led to some cutting-edge innovations, Gmail and Google News being just two well-known examples.

Now, you might not be able to give your team members twenty percent of their time to work on projects that they wish to. But that is not even the point that we are making here. What you need to ensure is that you allow people the freedom to make decisions – any decisions - for themselves. The more freedom you can accord them to make decisions, the better.

How leaders can implement this insight in practice:

Here are a few examples of the kind of decisions that you can allow people to make:

- **What, how and when they will learn something new**
 - **Steps that can be taken for a new project**
 - **A new way to perform a task**
 - **How the team's engagement budget will be spent**
- Etc.,**

Now, autonomy in no ways implies allowing people to do as they please. Autonomy must be accompanied by accountability and must be within boundaries and in keeping with the values and culture of the organisation.

d. Challenge People to Take on More Challenging Tasks, While Helping Them Grow in Ability

In the 1940s, a cake manufacturer P. Duff and Sons Cake Mixes introduced cake mixes, which required home chefs to merely add water to before baking. The product did not do well. The company then decided to make the process of producing the cake a little more arduous for its customers, who viewed themselves as home chefs. The new cake mix now required the addition of milk and eggs to the batter. Sales soared. That addition of the two extra ingredients gave the chefs a sense of accomplishment. They felt challenged. And they embraced the product.

We, humans, seek challenges and adventure in life. Mihaly Csikszentmihalyi, the scientist whom we had quoted earlier this chapter, as part of one of his studies, this time conducted with Janet LeFevre, found that

Human beings relish the challenge of a goal that stretches them beyond their current ability, but not to the extent that it breaks them.

Stretch goals provide for such a challenge. As we had seen in a previous chapter, the stress produced by the higher challenge will aid performance. However, only if these goals are not perceived as being beyond reach. Remember that eustress is beneficial, but distress impairs.

And stretch goals cannot be provided if people are not fully equipped with the knowledge, skills, belief, and motivation to take these on. The setting of stretch

goals must be accompanied by the desired skill development so that people are fully equipped with the ability to deliver on these.

And helping people grow in ability also has a motivating effect on them. All of us desire mastery. When we see that our work is allowing us to develop new knowledge and abilities, we find the work deeply and intrinsically satisfying, and we embrace the work for its own sake.

It is important to realise that if you do not continually challenge your employees or provide them with a pathway to improve their skills, they will, over time, begin to get disengaged from their work.

Also, help them see how their current job relates to jobs higher up the ladder. In conjunction with your team member, develop a career progression plan for them.

Stretch goals, skill development and career progression plans are critical if you wish to have your team members to feel intrinsically motivated and thus give their job their everything.

e. Appreciate Your People

In 2008, consultancy firm Towers Watson published the results of their Global Recognition Study, which reveals that

*there exists a strong positive correlation
between manager recognition and*
employee engagement



The study indicates that even in organisations with a low-engagement culture, manager recognition can still have a significant, positive impact on employee engagement.

"Catch them doing things right" is one way of implementing Praise and Appreciation. As Jim Harter, chief scientist at performance management consultancy the Gallup Organisation puts it: "recognition is a short-term need that has to be satisfied on an ongoing basis". Gallup's research indicates that employees who report that they are not adequately recognised at work are three times more likely to say they will leave in the following year.

Some examples of praise and appreciation could be,

- thanking a person for a timely report,
- Thanking a person for a nice cup of tea

- Sending an appreciation email for someone who has gone out of the way to meet deadlines
- Etc.,

Appreciated employees value their organisations by performing better, staying longer, and thus contributing to the success and growth of their organisation. Studies show that most employees leave their jobs due to a lack of recognition and appreciation. Compensation or salary is often the less important factor.

You will help your team members find their own motivations

If you as a leader work on providing people with the five elements that we have enumerated in this chapter, and you will help your team members feel more engaged with their work. Here, in a nutshell, are the five elements:

- a. Show people the work, which they do, matters**
- b. Help people meet their need for deep social connections**
- c. Provide people with freedom to make decisions**
- d. Set stretch goals and equip them to attain these goals**
- e. Appreciate people**

Help them meet these needs, and your team members will be motivated – intrinsically – to give their work their everything. You will have them willingly accepting stretch goals and giving their one hundred percent in the pursuit of these goals.

Studies have indicated that organisations, where people find these needs of theirs are met, outperform peers between 47% and 200%^{vi} on various business metrics. Other studies have shown that organisations, where leaders are focussed on the employee's psychological needs are 43% more productive as compared to rival organisations^{vii}. Attrition rates in such organisations also tend to be lower^{viii}.

The economic case for people feeling intrinsically fulfilled is clearly beyond doubt. If you as leader truly wish to ensure that your team members give their job their everything, if you wish to have them willingly accept and give their everything in meeting stretch goals, then you must work on developing an environment that helps them be intrinsically motivated.



Epilogue



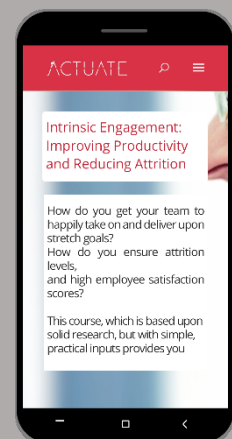
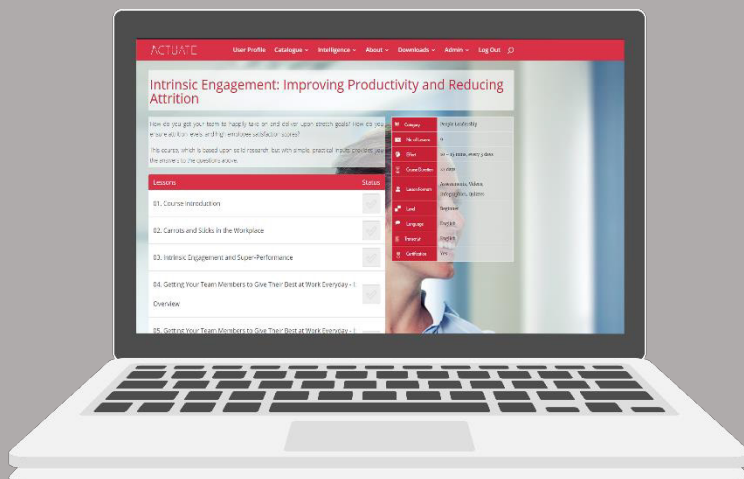
That's all we had for you in this eBook. We hope you found the content interesting and of value. Truth is though, this was just a trailer – there's so much more where that came from!

The content presented here is a derivative of a large body of work we have developed at Actuate Microlearning on the topic of Employee Engagement.

For your information, that body of work is a module titled 'Intrinsic Engagement: Improving Productivity and Reducing Attrition'. You'll find many more delightful and thought-provoking insights along with practical tips to help you to improve your ability.

Here's a [link to our website](#), where you can preview an outline of this module.

Thank you! Good luck on your learning journey!



REFERENCES

- ⁱ <http://people.duke.edu/~dandan/webfiles/PapersUpside/Large%20Stakes%20Big%20Mistakes.pdf>
- ⁱⁱ <http://journals.sagepub.com/doi/abs/10.1177/0149206314535441>
- ⁱⁱⁱ <http://www.cnbc.com/2017/04/24/reuters-america-wells-fargo-board-pays-price-for-letting-whistleblowers-whistle-in-the-wind.html>
- ^{iv} <http://www.amazon.in/Flow-Psychology-Experience-Perennial-Classics/dp/0061339202>,
Osgood, C. E., Suci, G. J., & Tannenbaum, P. H. (1957). *The measurement of meaning*. Urbana: University of Illinois Press
- ^v <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1108&context=articles>
- ^{vi} "Employee Commitment". Susan de la Vergne. 2005
- ^{vii} "Employee Commitment Remains Unchanged....". Watson Wyatt Worldwide. 2002.
Retrieved 2006-11-07
- ^{viii} Lockwood, Nancy R. "Leveraging Employee Engagement for Competitive Advantage: HR's Strategic Role."

Dan Ariely Intel - [Research Link](#)

Wells Fargo - [Research Link](#)



So, here's to good choices and decisions, and here's to you!

Video-Format Microlearning from Actuate Microlearning

As you surely know, video-format microlearning courses are perfect to:

1. Engage the modern-day learner (especially the burgeoning millennial and Gen-Z workforce)
2. Create learning journeys for your learners
3. Ensure better course offtake and completion rates

Twenty-Nine Video-Format Microlearning Courses You Could Use Right Out-Of-The-Box

Considering the advantages that video-format courses offer, we, at Actuate, have created a catalogue of twenty-nine courses - a total of 283 video lessons, 52 hours of learning - on behavioural, leadership, cognitive and technical skills topics.

You could procure these off-the-shelf, get them branded for you and have them deployed pretty much immediately for your learners!

Here're a Few Reasons Our Clients Choose Us:

- 1** **Our courses follow a micro-video format** (the format of choice for the modern-day learner)
- 2** **Users love our courses**
(you should see some of the fabulous feedback we've received!)
- 3** **Users find our courses relatable and relevant**
- 4** **Our courses are built for the phone**
- 5** **We work closely with you in ensuring people use these courses**

Indicative Client List:

Over the last nine years of our existence, we've served over seventy organisations across industry verticals. Some of our esteemed clients include Kotak Securities, ICICI Lombard, Zydus Cadila, Edelweiss, Angel Broking, Motilal Oswal, DCB Bank, Lodha, Tata Capital, DESIS, Prudential, to name but a few.

Do Get in Touch!

If you'd be interested in knowing more, please suggest a date and time we could possibly speak/ meet. Thirty minutes should suffice for our discussion.

You could reach us at:

☎ : + 91 9820196121

✉: [**jerson@actuatemicrolearning.com**](mailto:jerson@actuatemicrolearning.com)



Actuate Microlearning

India's First Live-Action Video Microlearning

www.actuatemicrolearning.com