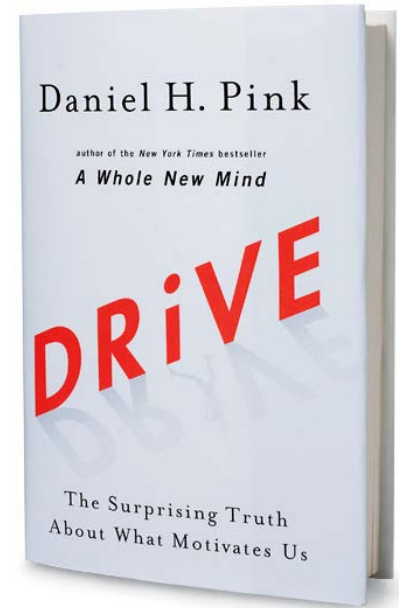




ZepSolar

Workplace and Creativity

The Shocking Truth



PRESENTATION



Choose the Best Answer...

- Rewards and punishments correctly applied will guarantee good performance.
- Actually, supportive management and teamwork are essential to good performance, but you still need a reward system to back it up.
- Rewards and punishments actually do the opposite – they **degrade** performance.



Yeah, You Guessed It.

- Extrinsic rewards don't work.
- They haven't worked for decades.
- Business hasn't caught up.



It's Stone Age technology.



People Aren't Sheep

- But if you treat them like sheep, that's what you will get.
 - Rewards are good for routine tasks
 - Not so good for heuristic tasks (freeform problem solving)
- Lots of studies to back this up – we'll review a few

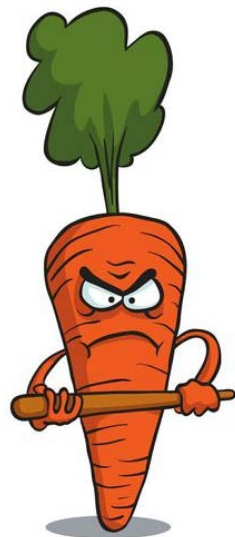


Be creative and you'll get extra pellets!



Extrinsic Rewards Destroy Motivation

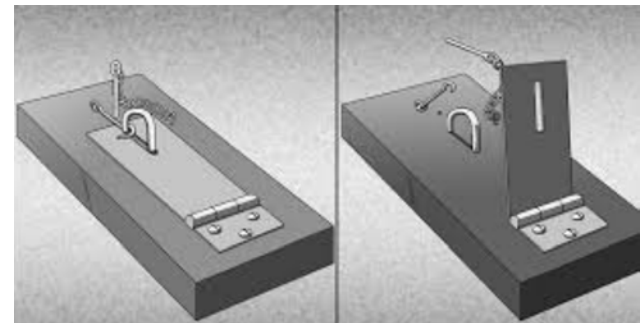
- Transform interesting tasks into drudgery
- Encourage gaming of the system
- Impede creative thinking





Harlow-Deci Experiment

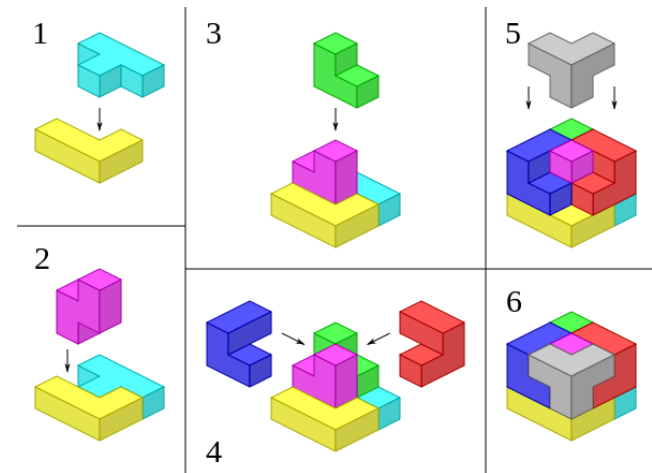
- Rhesus monkeys given simple puzzle didn't wait to be rewarded in order to start fooling with it
- They clearly enjoyed the challenge!
- Adding a reward disrupted performance – slower, less interested
- Scientists were flabbergasted





Results replicated with people, too

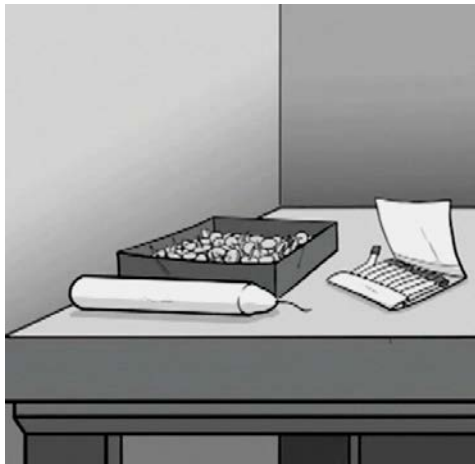
- Soma Cube puzzle
- Real question: What were people doing with their unstructured time?
- Rewarded group read magazines or walked off
- Unrewarded group kept fooling with it, purely for fun





The Candle Problem

- A brain teaser
- Higher incentives led to worse performance
- Took them longer to figure it out
- They failed to see creative shortcuts



Stick the candle to the wall so
wax doesn't drip on the table



What People Really Want

- Autonomy (How and When)
- Mastery (Challenge)
- Purpose (Why)

Interestingly, this is even reflected in the 7 Pan-African Principles of Kwanzaa

Unity - Self-Determination - Collective Work & Responsibility -
Cooperative Economics - Purpose - Creativity - Faith

Its not about what we want,
its about what we WILL.



SELF-DETERMINATION



Type X vs Type I

- X is Extrinsic motivation and behavior
- I is Intrinsic
- Most people have a mix of both
 - 15% need rules and regulations
 - 85% are self-motivated given the chance
- Set policy for the 85%, not the 15%
- Straight-A students don't always achieve in life... if good grades are all they thought about



Workplace Applications

■ “Fedex Days” -

- Work on any problem you want
- Deliver something, anything, by the next day

■ People wanted more

- Couldn't make enough progress in a one-off effort
- 5-20% unstructured time, ongoing

■ Islands of autonomy led to great inventions



Inventions that Came from 20% Time

- 3M: Post-Its came from “bootlegging policy”
- Half of Google’s new offerings come from non-commissioned time – including Gmail
- Graphene came from “Friday evening experiments”
- Intuit software: 7 new apps
- Even nursing staffs can use it to improve service, morale, policies



Bottom Up

- Almost none of these inventions came from top-down directives
- They were acts of subversion
- One smart person couldn't take it anymore and bent the rules



Things to Try...

- Make time for noncommissioned work
- Conduct an autonomy audit
- Feedback: DIY performance reviews
- Peer-to-Peer rewards and praise
- Use noncontrolling language
- Start small and emphasize results



The Zen of Compensation

■ Fairness

- Internal and external

■ Slightly more than average

- Takes money off the table

■ Metrics diverse, relevant, hard to game

- Even salespeople do better without a commission structure – who knew??



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Thanks!

