

## *What Motivates?*

Internal and external motivation  
factors

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### *Motivation of Internal & External Audiences*

Because the issue of motivation extends to an organization's entire audience, the answer to the question "what motivates?" depends on the specific audience component: sales force, operations employees, administration or research, channel partners or consumers. To simplify the answer, we need to consider the needs of internal and external audiences differently. The recent study "*Incentives, Motivation, and Workplace Performance*" provides an excellent summary of what is known on the subject of internal motivation.

The study was commissioned by The Incentive Research Foundation (formerly known as the SITE Foundation) a not-for-profit group specializing in incentive research, and undertaken by the International Society of Performance Improvement (ISPI). The study provides not only a comprehensive review of past academic research, but also a snapshot of current business practices via both broad-based and in-depth surveys of U.S. organizations. The current data uncovered the following eight distinct elements critical to achieving performance improvement through motivation, which can also be applied to consumers.

#### *1. Emotion*

Workplace mood has significant impact on performance. How employees feel about their jobs, work environment and company directly affects their level of service and productivity. The 2002 survey of American workers entitled "*2002 Motivation for Excellence*" likewise found that employees (85%) see a link between their level of motivation and the quality and quantity of their work.

Properly designed incentive programs have a positive, measurable impact on the emotional state of participants.

**2. Communication**

There is a direct link between performance and the degree to which participants understand the desired goals and steps they can take to achieve them. Incentive programs should foster a greater understanding of organizational goals and how each participant's actions can contribute to overall success.

**3. Buy-in**

Performance thrives when employees feel engaged in the goal. Incentive program proponents specifically use the campaign development process to foster engagement by employees in the design process.

**4. Feasibility**

Programs rewarding individuals based on their own achievements provide much better results than rewarding a pre-determined number in so-called *tournament*, or *closed-ended* programs. This outcome is particularly relevant to incentive program design, since programs based on tournament or closed-ended programs have generally yielded poor results.

**5. Work Utility**

The research confirms the intuitive link between work satisfaction and sense of purpose. Incentive programs should give everybody a sense of importance, because everyone's job counts when it comes to improving performance.

**6. Support (Management Commitment)**

Employees who feel that management fully backs their efforts were found to respond more favorably to performance improvement efforts than those who felt little support. Management commitment, therefore, is required in order to get the best out of motivation-based performance improvement efforts.

**7. Employee Capability**

People quickly become discouraged if they want something, but lack the skills to get it. Motivation goes hand in hand with an employee's sense of ability. For that central reason, incentive program planners should take a hard look at training in order to improve the likelihood that actions requested by the program can be accomplished.

### 8. Analysis and Feedback

Programs should use the information that comes from directing people toward specific goals. What happens, or does not happen, provides a road map for better results in the future, no matter what the outcome.

## Theories of Human Performance

Authors J.M. Keller, H.D. Stolovitch and E.J. Keeps, in the *Handbook of Human Performance Technology*, developed the following equation to define which elements affect human performance:

$$\text{Ability} \times \text{Motivation} \times \text{Opportunity} = \text{Achievement}$$

### CANE Model

Author Richard Clark, in “*Motivating Performance*,” *Performance Improvement 1998*, further elaborated on this formula. In the *Commitment and Necessary Effort (CANE)* model of motivation, the determining elements are: *Perceptions of Capability* (buy-in and ability to do the job), *Affect* (mood and emotion), *Task Value* (importance, interest and utility assigned to the task) and *Goal Commitment* (sense of choice, persistence).

### Maslow

Motivational practitioners also like to cite the historic work of Abraham Maslow, who identified a hierarchy of five basic human needs best understood in terms of a pyramid. The more someone has met a basic monetary need, the more they will have psychic needs that have little bearing on basic cash compensation.



## ***Cohn***

Alfie Cohn made a strong case against the use of incentive programs in his book *No Contest: The Case Against Competition* (Boston: Houghton Mifflin, 1986). Competition, he noted, often leads to poor teamwork because people attempt to get ahead at the expense of their peers and because the goal becomes more important than the process of obtaining it.

Available research supports Cohn's assertions relating to a specific form of incentive program, the so-called tournament or closed-ended approach, in which a specific number of winners is selected in advance. On the other hand, the available research has found that open-ended programs, in which people compete with themselves based on personal incremental improvement, have a highly motivational affect, as much as 25% in individuals and 44% in teams, according to the "*Incentives, Motivation, and Workplace Performance*" study.

Similarly, the research supports Cohn's observation that incentives can place undue emphasis on the goals rather than on the process needed to obtain them. However, multiple research projects clearly demonstrate that motivation requires more than incentives (i.e., it requires agency or *buy-in*, capability, communication, etc.).

Companies can avoid the problem of competition by structuring programs that enable people to compete with themselves and that emphasize the behaviors needed to achieve the desired goal, rather than simply the goal. That's why effective measurement efforts include both results and processes that affect results.

## ***Oakley***

Interestingly, recent research by James Oakley of Purdue University, found that the most productive culture includes a healthy dose of competition, especially when it comes to creating new ideas or solutions.

## ***External Motivation Factors***

Curiously, much more research has gone into understanding customer (external audiences) rather than employee behavior. And while active debate continues on many granular issues, there is a solid basis for suggesting the following key factors can come into play, depending on the audience and individuals. Ironically, most of these external marketing elements relate back to employees; in other words, employees in many cases hold the key to motivating consumers.

<b><i>Availability</i></b>	Does the consumer even know the product or service exists, and is it easy to find it? Availability could be a function of channel partner willingness to carry a product, which in turn could be determined by how they are treated by sales or other employees.
<b><i>Function</i></b>	The product or service fills a big enough need and does what it says it will do. Function can be a product of innovation that comes from employees committed to pleasing the customer.
<b><i>Value</i></b>	Is the price paid comparable with similar products in the market? Value can be a product in part of employee productivity, which often depends on the efficiency of internal employees.
<b><i>Emotion</i></b>	Many people respond to what they perceive to be fun, exciting and hip, and they want to feel valued and recognized. Marketing strategies that address emotion often require the involvement of employees or channel partners.
<b><i>Convenience</i></b>	Is the product relatively easy to buy and use with minimal problems? Convenience suffers when internal employees lack interest in customer satisfaction or understanding what they can do to foster it.
<b><i>Affiliation</i></b>	Can the customer or prospect emotionally identify with the “brand,” feel comfortable interacting with the company’s people or image? Many organizations spend millions to build a brand through advertising, only to have the investment undermined by customer facing employees with poor customer service attitudes.
<b><i>Communication</i></b>	Motivation can depend on making sure that customers and external channel partners understand your latest products, services and value propositions. Communication is a two-way street, with marketers advertising and marketing to external customers, who in turn communicate with the internal employees they encounter on a day-to-day basis. The feedback customers give to employees may be one of the most overlooked areas of business intelligence in helping organizations better understand what they can do to please.

***Integrity***

If there is a problem, how does the company handle it? Many marketing departments overlook the extent to which the internal audience—employees, salespeople channel partners—can influence trust between an organization and employees.

***Power***

Is the consumer made to feel in control or at the mercy of the vendor? When properly constructed, consumer incentive programs will get better response if they also address internal issues that can affect customer outcomes.