

The Secret to Motivating your Team

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Many advisors struggle with staff members who regularly fall short in terms of work ethic, attention to detail or ownership of outcomes. Getting the most out of your team is essential, and a new book illuminates an effective way to build motivation in your organization.

Often, the gut response when dealing with these issues is to focus on compensation – to change the mix of fixed versus variable pay or make bonuses more directly tied to goals.

Sometimes tweaking compensation works, but more often it fails. Occasionally the problem is that you simply have the wrong people. But a recent book suggests another explanation: You are using a long outdated approach to motivate your people rather than one aligned with today's reality.



Why carrots and sticks don't work

The backbone of managing employees since the Industrial Revolution has been based on carrots and sticks – historically, the key to success was seen as rewarding the right behavior and punishing the wrong behavior.

Psychologists refer to compensation as an external motivator – it motivates us from the outside rather than from the inside. Research shows that external motivators work – but only in a surprisingly limited range of circumstances.

In his book, *Drive: The Surprising Truth about what Motivates Us*, author Dan Pink describes experiments on the impact of incentives.

A group of students were given three levels of rewards to complete some tasks.

As long as the tasks were rudimentary and mechanical, the outcome was what you'd expect – the higher the incentive, the more productive the students.



When these tasks involved conceptual, more complex thinking, however, unexpected results occurred. Not only did the higher incentives no longer produce better performance, but in some situations, they led to worse outcomes.

Money matters – but to be productive people need to be paid fairly. Once you're at that threshold of fair compensation, for most people the incremental payoff from higher pay rapidly diminishes. Once people feel that they're fairly paid, Pink maintains that three other factors drive outstanding motivation and performance – all linked to internal or intrinsic motivation rather than external motivators.

Autonomy

The first quality that drives motivation is autonomy – the ability to define how to achieve a task once a goal has been set.

This contradicts the traditional command-and-control approach to management. This top-down approach does create compliance, but what it doesn't do is create engagement. In fact, a Cornell University study of worker autonomy at 300 small businesses found that those that offered their employees autonomy grew four times faster than control-oriented firms and had one-third the turnover.

To create a high-performance team, the first requirement is to give the people with whom you work the ability to shape their jobs to achieve the goals they've been given. This is true for all employees, but it's especially for today's younger generation of workers who are looking for fulfillment in their work beyond a pay check.

So if you aren't getting all the results you're looking for in your team, start by looking in the mirror and asking if you're giving your staff the scope they need to operate to their potential.

Mastery

The second quality that creates motivated employees is mastery – surmounting the challenge of becoming excellent at something that matters. Mastery is a mindset where one always seeks to become better at what they do; achieving complex tasks requires an inquiring mind and the willingness to experiment with better ways to get a job done.

Fully engaged employees have the tools, the training and the scope to become very good at the tasks that occupy their days. This leads to another key motivator – a sense of achievement.

A second question to consider is whether you're giving your team the mandate and the necessary support to become outstanding at their work.



Purpose

The third intrinsic motivator relates to purpose – the sense that we’re doing important work that makes a difference in peoples’ lives.

Financial advisors are fortunate in this regard. Instilling a sense of purpose can be very challenging if you run a widget factory. In contrast, good financial advisors and their teams make a positive impact in clients’ lives each and every day.

Ask yourself if you’re taking enough time to talk about the purpose of what you and your team do. When you’re holding your monthly staff meetings, consider adding an agenda item that focuses on one case where a client thanked you for the difference your work made. Sharing those stories can help your team recognize the purpose in what you do beyond taking a paycheck home.

Replacing “if then” with “now that”

The research on intrinsic motivation obviously has very big implications on how advisors should structure their teams.

As an aside, Dan Pink doesn’t advocate that variable compensation be eliminated entirely, but he suggests that it be restructured. Traditional incentive compensation works on an “if .. then” model, “*If you do this, then you’ll get that.*” An extension of the carrot and stick approach to motivation, “if ... then” compensation is fine for mechanical tasks, but can fixate people on the task for which they’re being rewarded to the point that it destroys creativity; it can also lead people to look for shortcuts and to essentially game the system.

Instead, Pink suggests that businesses move to a “*Now that ...*” approach, “*Now that you’ve done this, here’s how I’d like to acknowledge your efforts and your contribution.*” He also suggests that where appropriate this be focused at the level of the team rather than the individual.

Does this apply to your team?

One final word of caution.

Not everyone responds to intrinsic motivation ... some people are primarily (or even exclusively) driven by external motivators such as compensation. Wall Street traders are a classic example of people who fall into this category.

There are a couple of problems with having these people on your team. However much you pay them, for people that are exclusively compensation driven it’s seldom enough. And second, research shows that people driven by external rewards are less motivated, less engaged and less productive than those who are attracted to their work because of



the intrinsic aspects of their jobs – the opportunity to operate autonomously, the ability to achieve mastery and a sense of fulfillment and purpose that they gain.

As you think about why your team isn't operating as effectively as you'd like, it's possible that you've got the wrong people.

Or perhaps Shakespeare and Al Capp got it right – and your people have the wrong boss.

In the play Julius Caesar, Cassius says to Brutus "*The fault lies not in the stars, but in ourselves.*"

And in his classic comic strip Pogo, Al Capp wrote the immortal line: "*We have met the enemy and he is us.*"

Dan Richards is a top-rated presenter at advisor conferences and an award winning instructor in the MBA program at the University of Toronto, as well as author of Getting Clients Keeping Clients: The Essential Guide for Tomorrow's Financial Advisor. To learn more about his conference keynotes and workshops, email dan@clientinsights.ca.

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