

# WHAT REALLY MOTIVATES YOUR EMPLOYEES?

The carrot-and-stick approach is losing its appeal as leaders find new ways to encourage productivity.

It's an age-old question and a \$10 billion industry. Every year, thousands of books and self-improvement courses are sold, and the most successful motivational speakers command \$20,000 to \$50,000 per engagement. Yet leaders and managers in companies both large and small continue to be frustrated by "unmotivated" employees.

One of the most common motivational management theories developed in the industrial age and still used is the "carrot-and-stick" approach. If you want to make more widgets, offer your employees a reward: the more widgets they make, the more money they make. If your employees aren't making enough widgets, then dole out a form of punishment in order to motivate them. This approach proved to be moderately successfully in manufacturing environments, so it soon spread and was widely adopted in other industries as well.

Unfortunately, the carrot-and-stick theory doesn't work in most other industries. Some would argue that it demotivates employees more than it motivates them. In jobs that require creativity, abstract thinking and the ability to solve complex problems, success cannot be quantified in the same way that making widgets are. People are not all motivated by the same things.

## FIND YOUR OWN CARROT

As leaders, we are caught in a quandary of sorts. On one hand, it is our responsibility to motivate our employees. Yet we all know that an ideal employee is one who is "self-motivated." So do our attempts to use external forces to motivate employees even work?

The short answer is "Yes" — if your goal is to create a work environment in which

employees become self-motivated. In his best-selling book, "Drive: The Surprising Truth About What Motivates Us," Daniel H. Pink identifies our three most important inner motivators:

**1. Autonomy and freedom:** Employees want to have some control over what they do, when they do it and whom they do it with. Rather than set goals for them, managers should allow employees to set their own — assuming they are achievable, verifiable and within their control.

Offering a reward to hit a goal is OK, but if the reward is purely monetary, employees often take the shortest route, which in some cases may be the "low road." When a prospect walks in the door, the salesperson who greets her should be focused on creating a long-term customer, not closing her by whatever means necessary. I have also found that letting employees set their own work schedules is always appreciated. Flexibility is key.

**2. Mastery:** We all want to be good at something, and in a work environment, the desire to improve matters. Doing a job well gives people a sense of accomplishment and pride. Try breaking down goals not into dollars but into key performance indicators (KPIs) that benchmark what it takes to do the job well. Your employees should be focused on attaining mastery in skills and performance rather than meeting sales targets and quarterly revenue goals. Mastery does demand some grit and deliberate practice, so encouragement by team members, mentors and managers is an important aspect of this motivator.

**3. Purpose:** It's natural to want to be part of something meaningful and work in the service of something larger than ourselves. As an emotional catalyst, the prospect of

wealth alone fails to motivate most people, but the ability to take care of your family might be more motivating. That's where the emphasis should lie.

Helping others by being involved in community projects is also important. Sharing those achievements with employees is far more emotionally satisfying for them than hearing how many sales or how much money the dealership has made this year. Dealers can also engage employees by letting them choose which community projects to be part of, like voting on a certain cause or fundraising campaign.

Another aspect of purpose is the joy of doing a job well. People like to solve problems and typically get a tremendous amount of satisfaction from being able to figure something out. The solution — and recognition for the solution — is a reward unto itself. If you are a manager, is there a problem in your department? Why not ask your employees for their solutions? A team with a common purpose and laser focus can solve just about anything.

When our basic needs are met, we are motivated, productive and happy. Dealers who focus on creating an environment where these three primary motivators can flourish won't have to worry about unmotivated employees for long.

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