Coaching Redefined:

How Internal Motivation Can Fuel Performance

By Craig Perrin and Chris Blauth

Behind every unmotivated employee is a leadership problem waiting to be solved. Yet many leaders see motivation as a game of rewards and punishment. Forget the cash. Forget the threats. To engage today's workforce, a leader is well advised to seek the heart of what moves people: their three basic psychological needs.

To glimpse the future of motivation, it may be helpful first to glance at the past.

A Brief History of Motivation

Our Ancestors

Reward and punishment are as old as the human race. For our tribal ancestors, survival was a critical motivator. But in today's workplace, where physical safety isn't always the immediate first concern, how much do we really know about what motivates employees? In fact, science has explored this question for a hundred years.

Taylor

In the 1900s, Frederick Taylor developed what became known as Scientific Management, which held that workers are primarily motivated by pay, and the main job of leaders is to set and enforce work standards. Taylor's work, though it oversimplified human dynamics, set a standard for the rigorous study of motivation in the workplace.

Skinner

In the 1940s, B.F. Skinner offered a different theory of motivation: Behaviorism, often called the "carrot and stick." Rewards (the carrot) motivate good behavior, and punishment (the stick) discourages bad behavior. Behaviorism held that because motivation originates outside the individual, leaders must maintain tight control of employee activities.

Maslow

Deci

Ryan

In the 1960s, Abraham Maslow, Frederick Herzberg, and others began to explore internal motivators—including satisfaction in the work itself. Their work found that while rewards and threats could boost short-term performance, employees wanted more from work. So these researchers asked, "Is there a better way to motivate employees that doesn't rely on rewards and punishment?"

Today, Edward Deci and Richard Ryan of the University of Rochester and other psychologists around the world are deeply exploring internal motivation. Their 40 years of research—known as Self-Determination Theory (SDT—have turned much of what we believe about motivation upside down. Recently, author Daniel Pink has stoked interest in SDT with his best-selling book *Drive: The Surprising Truth About What Motivates Us*. According to Pink, "Deci and Ryan, in my view, are the sun around which all this other research orbits. They're true pioneers. Forty years from now, we'll look back on them as two of the most important social scientists of our time."

What are some implications of this cutting-edge research for helping employees engage their work and drive bottom-line results?

External Motivation
SDT has isolated six different forms of motivation, which for simplicity may be grouped under two headings: external and internal. Both kinds of motivation are driven by needs.

For most adults, work meets many needs—income, of course, as well as friendship and achievement. Too often, though, employees feel bored or alienated at work. The result can be illness, absenteeism, and turnover, with huge cost to the organization.

What About Sales Incentives?
Variable compensation—commissions, bonuses, incentives, and so on—is a given in sales organizations. Self-Determination Theory recognizes the reality of external motivators in a sales environment, and advises that to support internal motivation in salespeople, how the leader uses these incentives makes all the difference.

Salespeople can suffer serious psychological harm if sales leaders overemphasize incentives to pressure or "motivate" people to reach sales goals. In these cases, salespeople experience stress and burnout, focus less on customers and more on money, and can resort to unethical actions to gain the rewards.

Observing these problems, many leaders assume that employees, having secured food and shelter, become passive. So these leaders try to control employees with threats of punishment or with external rewards, including bonuses, wage incentives, or promotions.

While it's safe to say that many leaders will continue using these methods to motivate employees, literally scores of peer-reviewed studies since the 1970s have confirmed the negative impact of external rewards. Among the startling findings:

1. Rewards consistently undermine sustained, long-term motivation and performance.
2. Rewards for something employees already like to do especially undermine motivation and performance.
3. Rewards make it more difficult for employees to be creative and solve complex problems.

Consider a simple example. In the 1993 Wimbledon final, Jana Novotna led the great Steffi Graf 6-7, 6-1, and was serving at 40-30 for a 5-1 lead in the final set. But Novotna double-faulted, then lost the game, and 10 minutes later lost the match. Any or all of the SDT findings may have figured into Novatna's collapse:

A Landmark Study

In an early study in the research that would become Self-Determination Theory, Edward Deci gave two separate groups the mesmerizing "Soma Cube" puzzles to solve, placing magazines nearby:

- He offered the first group a cash reward to solve the puzzle.
- He offered the second group no reward, telling them only that he wanted to observe how they solved the puzzle.
- After a time, Dr. Deci told each group that the test was over and he would return in 10 minutes with a survey. Instead, he observed the groups without their knowing.
- Paid participants were much more likely to put down the puzzle and read the magazines. Unpaid participants were much more likely to continue working on the puzzles.

This finding, confirmed in dozens of studies across the globe, inspired decades of research leading to practical strategies for supporting internal motivation in the workplace.
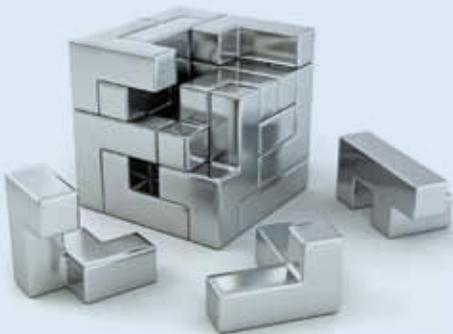
1. This Wimbledon championship would bring a major external reward: public adulation for joining an elite group of the greatest players in tennis history.
2. Novotna no doubt enjoyed playing tennis, especially winning tournaments.
3. Surely it was a complex task to beat Steffi Graf, who ended her career winning 107 titles, including 7 Wimbledon championships.

As on the tennis court, so it is in the workplace. Attractive rewards—Dr. Deci calls them "seductive" rewards—heighten anxiety, cause people to feel controlled, and erode performance. Studies and daily experience confirm that people will certainly work to earn an external reward (whether money, promotion, perk, or acclaim). Once they achieve the goal, however, motivation falls off sharply.

So, in the workplace, any positive short-term effects of bonuses, deadlines, surveillance, threats, and other external motivators often mask their well-documented negative impact on immediate performance and long-term employee engagement.

Internal Motivation

In contrast, SDT has found, *internal* motivation occurs in one of two ways:

1. The employee finds an activity inherently satisfying.
2. The employee performs a task to satisfy some other need important to that person (for example, completing a dull task in order to contribute to a team effort).

While in both cases employees act to satisfy their needs, these needs are very different from the need to gain a reward or avoid a punishment.

A remarkable finding of worldwide SDT research is that everyone shares three basic psychological needs. Over 100 studies have confirmed that, compared to leaders who rely on rewards or threats, leaders who support satisfaction of these three psychological needs promote sustained internal motivation to achieve results:

- *COMPETENCE* is the need to feel valued as knowledgeable, skilled, and experienced. People have a powerful need to hone and demonstrate skills, whether technical, interpersonal, or leadership. Opportunities and support to develop and demonstrate competence are powerful internal motivators for every employee.

- *RELATEDNESS* is the need to collaborate with colleagues and co-workers. Regardless of their role, most employees want to work with others. Studies show this internal need to be more powerful than externally driven needs to earn rewards or avoid punishment. Further, working effectively with others improves business results through a melding of views and experiences.

- *AUTONOMY* is the need to exercise self-regulation, within guidelines, to achieve business goals. No one has total freedom in the workplace because everyone must contribute to shared results. Still, people crave autonomy, or freedom to shape their work to support the work of others. A degree of individual flexibility—within established processes, procedures, and rules—helps employees thrive in an organizational setting.

Leaders can't create internal motivation in their employees. They can *support* internal motivation by creating conditions that allow employees to satisfy their own needs for competence, relatedness, and autonomy. This is needs-based coaching, a powerful way to sustain individual performance, teamwork, and practical results.

But, in a practical sense, how exactly do leaders "create the conditions" that support internal motivation in the workplace?

Needs-Based Coaching Defined

Needs-Based Coaching is a vital skill set that supports daily performance by creating conditions in which employees strive to satisfy their needs for competence, relatedness, and autonomy. (see Diagram 1 at right) AchieveGlobal has worked closely with Edward L. Deci, co-founder of Self-Determination Theory, to develop Needs-Based Coaching, which helps leaders at all levels engage employees, who in turn drive business results.

Four coaching skills, applied dependably, support internal motivation in employees to grow their expertise and apply it to solve business problems. (Addressing serious performance issues or extreme resistance to development is the focus of other skills.)
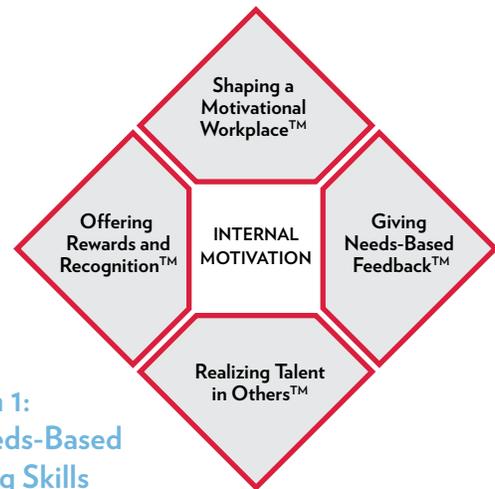
Diagram 1: The Needs-Based Coaching Skills

Let's briefly consider the role and value of SDT in these four needs-based coaching skills.

Shaping a Motivational Workplace

People want to use their abilities, connect with others, and guide their own efforts. Global SDT research has unequivocally established that—regardless of gender, age, ethnicity, culture, or life experiences—everyone shares these needs for competence, relatedness, and autonomy.

Leaders can support internal motivation in employees by applying three best practices:

- **Adopt the employee's perspective.** An employee's unique perspective is the "truth" from which that employee operates. Effective coaches develop a deep understanding of employees' perspectives as a basis for all exchanges.

- **Communicate in an informational way.** Information helps employees understand their work and make wise choices. Controlling or judgmental communication blocks the three psychological needs. Effective coaching communicates in need-supporting ways.

- **Generate opportunities for choice.** The way that structure, guidelines, and goals are positioned for employees can support or undermine autonomy. Effective coaching offers meaningful choices and allows active involvement consistent with all three needs.

The Startling Impact of Rewards

SDT research over several decades has confirmed a number of surprising facts about the impact on performance of external rewards or incentives.

- **Rewards consistently undermine sustained, long-term motivation and performance.** While rewards give a brief boost, motivation falls off sharply once people get the reward. Further, internal motivation suffers if employees feel controlled by incentives. When employees learn to expect rewards, performance declines in their absence. And excessive monetary rewards can drive unethical behavior.

- **Offering rewards for something employees already like to do undermines motivation and performance.** Employees may feel controlled, not motivated, by rewards offered for something they like to do. These rewards can undermine enjoyment, effectively turning "play" into "work."

- **Rewards make it more difficult for employees to be creative and solve complex problems.** Incentivizing creativity—especially to meet deadlines—can slow progress due to pressure and stress. External rewards narrow employees' focus to a drive to the finish line, closing off the making of new connections so vital to creativity.

The practical goal of shaping a motivational workplace is sustained business performance and results driven by internally-motivated people.

Giving Needs-Based Feedback

Skill in giving feedback helps leaders support the internal motivation of employees to grow their knowledge and expertise. Employees gain internal motivation when work allows them to satisfy their psychological needs, including autonomy, or make decisions about their own activities. Yet organizations require employees to work within firm guidelines and timeframes.

When an employee's choices clash with organizational needs, effective leaders share information and redirect efforts—in other words, they give feedback. Giving feedback without undermining internal motivation is a serious challenge for every leader.

Feedback that reliably brings results takes an employee-centered approach, including:

- Genuine two-way dialogue
- Clear reasons for required structures and actions
- Collaboration on solutions and next steps
- Explicit links between a solution and the employee's psychological needs

While a leader's every action affects motivation, few conversations are as vital as giving feedback to align individual activities with group and organizational needs. The goal of all effective feedback is an employee internally motivated to take the appropriate steps.

Realizing Talent in Others

Employees have latent talents and existing skills that leaders often fail to leverage. Turning these talents into capabilities is a leader's most important work—and a requirement for long-term organizational success. Supporting this leadership role are SDT studies over the past 40 years confirming that people by their nature have a strong need to:

- Engage in interesting activities.
- Succeed at new challenges.
- Improve their competence.
- Demonstrate mastery.

So why do many employees feel disengaged at the prospect of job-related growth and development? And why do many leaders believe that developing others is too much effort for too little return?

Repairing this disconnect requires a fundamental rethinking of how leaders develop their employees. To realize potential and achieve business outcomes, it's vital for leaders to match the employee's need to demonstrate competence with the organization's need to succeed.

Offering Rewards and Recognition

As earlier noted, external rewards—cash incentives, trophies, incentive trips, promotions, time off, and so on—are strong medicine that, if poorly prescribed, undermine internal motivation. But are rewards always bad? Not at all, if used in need-supporting ways. So effective leaders avoid competitions, for example (where a "loser" may be 1 percent less effective than a "winner"), and offer rewards that:

- Acknowledge a contribution, rather than control future behavior.
- Appear equitable to employees.
- Appear to employees worthy of the effort made or results attained.

While rewards can support internal motivation, they pale in contrast to recognition, defined as spoken or written acknowledgment of an individual or team effort or result. To support the three needs, effective recognition is:

- Genuine
- Timely
- Short
- Interactive
- Specific
- Frequent

Like other coaching skills, offering recognition takes reflection, observation, and regular use to realize the business and human benefits of needs-based leadership.

The Need/Motivation/Outcome Connection

The essence of Self-Determination Theory, and its value for leaders, may be simply summarized, as in this diagram showing the relationship between needs, motivation, and outcomes:

EMPLOYEE NEED   TYPE OF MOTIVATION   OUTCOME

Gain Reward Avoid Punishment → External → Short-Term Gains

Competence Relatedness Autonomy → Internal → Sustained Performance
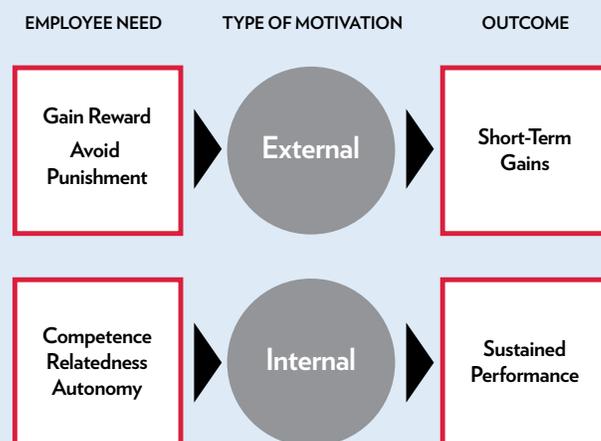
- Employees have many needs. Two of them are to gain rewards, monetary and otherwise, and to avoid punishment.
- If leaders focus on these needs to improve performance, they get back external motivation to gain the reward or avoid the punishment.
- The outcome of external motivation is a short-term performance gain, quickly followed by a drop in motivation when the reward is achieved or the threat is gone.
- In contrast, if a leader can help employees satisfy their needs for competence, relatedness, and autonomy, the result is internal motivation.
- The outcome of internal motivation, confirmed by extensive research and the experience of effective leaders, is sustained performance over time.

Leaders are usually relieved to learn that inspiring internal motivation is not in their job description; that's up to the employee. The leader's job is to create a need-supporting workplace that helps employees find continuing motivation in their work.

The Payoff of Internal Motivation

Forty years of SDT research and hundreds of peer-reviewed studies have confirmed the many benefits of a workplace in which employees can satisfy their three basic psychological needs. In summary, the research has documented improved:

- Job satisfaction
- Engagement
- Self-esteem
- Thinking ability
- Creativity
- Learning
- Trust
- Loyalty
- Dedication
- Performance

To realize these benefits, leaders need not delve deeply into the vast research supporting Self-Determination Theory. It's enough, really, to understand the basics (see sidebar, "The Need/Motivation/ Outcome Connection"). To promote increased engagement, improved performance, and measurable business results, leaders *do* need to master the practical skills for shaping a workplace in which internal employee motivation can become a daily reality.

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