KENNETH W. THOMAS

coauthor of the Thomas-Kilmann Conflict Mode
Instrument—over 6 million copies sold

"Before you work another day, read this book so you know how you can make the most
of what drives you and others." —**Jim Kouzes,** coauthor of the bestselling, award-winning
The Leadership Challenge and *A Leader's Legacy*

Intrinsic Motivation at Work

What Really Drives EMPLOYEE ENGAGEMENT

SECOND EDITION
REVISED AND EXPANDED

An Excerpt From

Intrinsic Motivation at Work: What Really Drives Employee Engagement, Second Edition

by Kenneth W. Thomas
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CONTENTS

PART FOUR
Leading for Engagement

This book will give you crucial new insights and tools for moti‐ vating workers in today's organizations. Why do you need this book? Because today's jobs are dramatically different from those of only a generation ago—and require much more initiative, cre‐ ativity, and judgment. Today's jobs have changed so much that employees require a different kind of motivation. Organizations have recognized that need in the last few years and have begun talking about "employee engagement." But that term remains fairly vague and only points in a general direction. This book will give you a much clearer understanding of what employee engage‐ ment is, what powers it, and what you can do to create it.

This book comes from more than twenty years of work on intrinsic motivation—the force that drives engagement. I have interviewed engaging leaders and their followers, developed a research measure of intrinsic rewards with my colleague Walt Tymon, conducted surveys in a number of organizations, delivered workshops, written some influential journal articles, and consulted with public- and private-sector organizations. I have also learned

a great deal from colleagues at the New West Institute, a firm that has used our research instrument and the first edition of this book in all of its consulting. This second edition of *Intrinsic Motivation at Work* draws upon all those experiences to give you the knowledge and tools you'll need to lead for engagement.

This book is organized into four parts. Part 1 will show you what engagement looks like on the job. Basically, engaged workers actively *self-manage*. They commit to a meaningful purpose, apply their intelligence to choose how best to accomplish the purpose, monitor their activities to make sure they are doing them competently, check to make sure that they are actually making progress toward the purpose, and make adjustments as needed. This self-management, then, is the key way that workers add value in today's fast-paced, global, service-oriented economy.

In part 2, you will get a clear picture of the rewards that power this kind of engagement. Active self-management requires more than economic rewards. It is energized and sustained by *intrinsic* rewards—psychological rewards that workers get directly from their self-managed work. The four main intrinsic rewards are a sense of meaningfulness, a sense of choice, a sense of competence, and a sense of progress. As you'll see, these rewards not only energize and sustain self-management, they also have powerful effects on retention, development, innovation, and other key outcomes.

Workshops have shown us that it is easier to learn how to engage other people when you first learn how to monitor and manage your own intrinsic motivation. So part 3 will help you tune into your own intrinsic rewards, introduce you to the major building blocks for each intrinsic reward, and spell out actions that you can take to build those rewards for yourself.

Then part 4 will give you the tools you need to engage the people in your work team. You will learn how to determine the strengths of your team members' intrinsic rewards, and you

will learn acts of leadership that enhance each intrinsic reward. These actions go beyond familiar principles of job enrichment to emphasize the kinds of conversations and celebrations that keep people actively engaged.

A comment on style: I have tried to write this book in a fairly informal way that connects with your experience, so I'll share a few of my own experiences and ask you to reflect on your own, especially in the later chapters. As I wrote these sections, I tried to imagine myself in a conversation with you where I could speak honestly about what I think you need to know and do to success-fully engage yourself and others.

One final note: because a lot of drama is involved in the kinds of changes this book covers—in the speed and urgency with which work has changed, in the shift from command-and-control to self-management, and in the changing motivational needs and oppor-tunities of the new work—I have used a running "Management Tale" at the beginning of each part of the book to capture this unfolding drama.
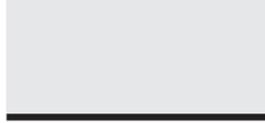
What Engagement Looks Like Today

$\mathcal{A}$ Management Tale . . .

IN EARLIER TIMES, the executives turned to their most trusted advisers—the engineers and the economists—and asked how workers should be managed.

"Rationally," they replied, for such was their training. "Workers are often emotional and must be controlled. We must give them simple tasks with many rules and watch closely to make sure they obey them."

"And will they obey?" asked the executives.

"Yes, for they are poor, and we will deny them money and work if they do not."

"Very well," said the executives, and their advisers happily designed detailed Rule books and Compensation Systems and built tall Hierarchies to administer them. This took time, but the world moved slowly then, and there was little competition, and so their organizations prospered.

As time passed, the workers gathered into unions to protect themselves from low wages and firings. They shared in the general prosperity and became more educated. As this came to pass, they began to petition the executives that their emotional needs might be better met. This frightened the advisers, who truly believed that emotion was the doorway to Chaos. But the executives bade them modify the rules to permit modest participation and job enrichment, and their organizations prospered.

But shortly thereafter, as these things are measured, the executives beheld Great Change. The world grew small, competitors abounded

in all its realms, and buyers of their wares began to demand great Speed, Quality, and Customization. As their Hierarchies and Rule books began to fail them, the executives again turned to their advisers.

"How can we meet these demands?" they asked.

Their advisers, of course, answered, "Rationally," and fashioned the cost-cutting sword of Value-added. Wielding this sword, the executives made great slashes in their Hierarchies. They also gutted the Rule books, that workers might better innovate and meet customer needs.

When the cutting was done, the executives found that much had changed for their workers. There were no tall hierarchies to closely monitor and direct them nor detailed Rules to comply with. *What*, the executives wondered, *will ensure that workers act responsibly now?* In answer, they heard the voices of new management gurus who spoke of the need for *Employee Engagement*. "Workers must feel Passion for the work and derive Fulfillment from it." And the executives heard in this message an echo of their own energy for work. However, the gurus spoke with many voices, and it was not clear exactly what Engagement meant nor how it worked.

So the executives, as before, turned to their trusted advisers, the engineers and economists. "How can we Engage workers by managing for Passion and Fulfillment?" they asked.

"We cannot answer that question," replied the advisers, "for it is not rational."

■ ■ ■

Clearly, thought the executives, *Engagement is a different sort of concept and requires new thinking.* So the executives selected a consultant renowned for his wisdom and approached him with their question.

"Much has changed for our workers. Can you help us to Engage them in their new work?"

The Wise Consultant pondered for a while and said, "Perhaps we should begin by looking at what is involved in the new work—to see what it is that you wish them to be Engaged in and how you might recognize Engagement when it occurs."
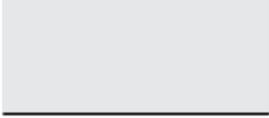
1

How Work
Has Changed

I find that a lot of people hold old assumptions about work that no longer apply. So this first part of the book will help you understand how dramatically work has changed, the nature of today's work, and what engagement looks like in today's organizations.

It is hard to grasp how rapidly and dramatically the worker's role has changed in this country. Consider that we even use different words to describe workers now. Few organizations still use the word *subordinate* to describe workers. Even the word *employee* has given way to *associate* in many Fortune 100 organizations. These word changes are a surface sign of the deeper shift in workers' jobs.

In *The New American Workplace*, James O'Toole and Edward Lawler provide a detailed analysis of workplace changes over the last three decades.[1] Look at their data in figure 1. In the twenty-five years between 1977 and 2002, there were huge surges in the number of workers who reported that their work was meaningful, allowed them discretion, and made use of their abilities. In roughly the span of a single generation, then, there has been a sea change in the nature of work.

What happened?

Figure 1. **Work Changes in the United States**
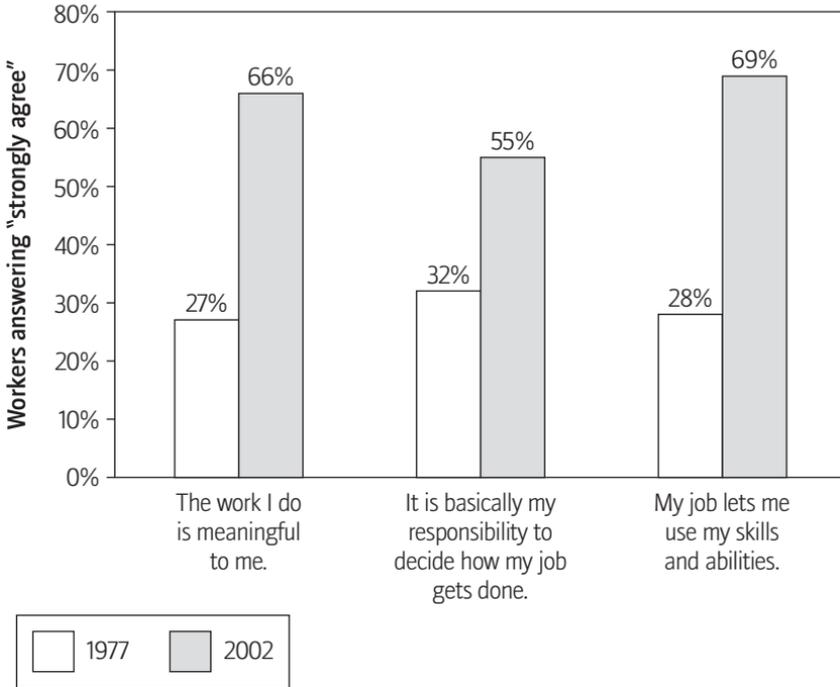
How Work Used to Be: The Compliance Era

From the beginning of the twentieth century until the 1970s, it was reasonably accurate to think of workers' roles in terms of compliance.[2] *Sound management* meant simplifying work tasks, producing thick rule books, and building tall hierarchies with close supervision to make sure that workers complied with the rules. This was command-and-control management in bureaucratic organizations. It was supported by the economics of the times: in a stable environment with heavy demand, the rules produced standardized products and services that met customer needs, and the

simplified work meant lower pay and training costs for workers. Blue-ribbon companies of the time, including General Motors, General Electric, and American Telephone and Telegraph, exemplified this philosophy. And generations of managers and workers had time to get used to this reality.

The Last Three Decades

By the beginning of the twenty-first century, however, technology had changed the economic equation. Telecommunications created a truly global marketplace, with intense competition and the need for quicker responses. Customers demanded greater quality as well as customized products and services. Most organizations restructured to flatter, more agile designs that emphasized cross-functional teams and the free flow of information. Inside the organization, computers and automation reduced the number of low-skilled jobs and increased the need for worker judgment. Low-skilled jobs that could not be automated were often offshored to countries with lower wages. Computers provided workers access to the information that enabled decentralized decisions.

These conditions, as Warren Bennis had predicted years before, brought about the decline of bureaucracy.[3] The tall hierarchies and close supervision prevented workers from responding quickly to customer needs. The same was true of the detailed rules. One by one, Fortune 500 organizations announced large layoffs of middle managers and first-level supervisors, and CEOs condensed rule books down to a few guiding principles.

In most organizations, then, it is no longer a question of middle managers' *allowing* workers more choice and participation. Many levels of middle management and supervisory positions have been eliminated, and an organization needs its workers to

take on many of their roles. Workers are often in different locations from their managers, making close supervision impractical. Instead of complying with detailed rules, workers are now asked to be proactive problem solvers. They must make adjustments, coordinate with other organizational players, innovate, and initiate changes. Workers are becoming strategic partners of top management, deciding the actions needed at the grassroots level to meet their organization's goals.

It is hard to draw precise boundaries around these changes. Some industries and job types come immediately to mind—"high tech" and "knowledge workers." But the new work is not confined to particular industries and job classifications. O'Toole and Lawler found examples of the new work in virtually every industry. The main differentiator seems to be business strategy. Organizations that choose to compete primarily as low-cost providers often continue to offer low-skilled, low-paying jobs that give workers little chance to exercise choice. Still, because of global competition and technological change, these organizations are now in the minority. Fewer and fewer organizations can afford to use people only for compliance.

In most of today's organizations, then, workers are required to be a greater source of problem-solving creativity and value-added than in previous years.[4] Keeping them motivated, using them well, and retaining them have become important to competitive advantage, or even a requirement for survival.[5] Jack Welch, former CEO of General Electric, put it this way: "I think any company . . . has got to find a way to engage the mind of every single employee. . . . If you're not thinking all the time about making every person more valuable, you don't have a chance. What's the alternative? Wasted minds? Uninvolved people? A labor force that's angry or bored? That doesn't make sense."[6]

Employee Engagement

In the last few years, organizations have adopted the phrase "employee engagement" to capture the kind of motivation required in today's workplace. It is the logical successor to earlier terms in the evolution of work. We began "enriching" workers' jobs in the 1970s.[7] Then we "empowered" workers in the 1980s and 1990s. And now that the work is more demanding and there is looser supervision, we need to make sure that workers are psychologically "engaged" in performing that work.

Unfortunately, "employee engagement" has been used in quite different ways by different writers, often without a specific definition.[8] A more specific and useful definition of engagement is the degree to which people actively self-manage in their work. (I'll cover this definition and the nature of self-management in more detail in chapter 3.)

The chapters in this book will give you a solid framework to help you understand and build employee engagement. Our focus will be on understanding how engagement shows up in a person's work, how you can recognize it, and how you can help to create it. The framework we use will build upon the key difference between old-school compliance jobs and most of today's jobs—the degree to which they provide *intrinsic* rewards.

So at this point, I'd better explain what I mean by "intrinsic rewards."

Intrinsic and Extrinsic Rewards

The downside of compliance-era work was that there was little in the work itself to keep workers motivated or satisfied. Consider the daily experience of a compliance-era job. Nearly everyone has

had one—hopefully only for summer jobs or early in your career. Mine involved a white-collar job during summer breaks. There was some challenge in learning the detailed job rules at first, but that didn't take long. Then I settled into a boring routine, and much of my work behavior went on automatic pilot. If I had a question, I had to ask the supervisor. My mind wandered. I found myself watching the clock before breaks and toward the end of the day. I looked forward to anything that broke the monotony and started to invent mental games. I put unnecessary creativity into things that might give me satisfaction, like improving the quality of my printing. The only excitement involved a standing card game during the lunch break. I had to drag myself to work each morning but went because I needed the money.

When organizations wanted only compliance from workers, then, they bought it with money and other tangible benefits. In the language of motivation theory, these are *extrinsic* rewards. Extrinsic rewards don't come from the work itself; they are doled out by supervisors to ensure that work is done properly and that the rules are followed. They include compensation such as salaries, bonuses, commissions, perks, benefits, and cash awards.

Extrinsic rewards were an easy solution to motivation in the compliance era. They were *possible*. The tall hierarchies allowed managers to supervise workers closely so that they knew when rules were being followed and could give or withhold rewards accordingly. And the rewards were enough. Organizations only needed to buy rote behavior, not commitment and initiative. They didn't need to appeal to workers' passions or even enlist much of their intelligence. Finally, they were all management had to offer. With the simplified work and the constraining rules and procedures, few intrinsic rewards were possible.

As I mentioned, the new work requires a great deal of self-management by workers. Self-management, in turn, requires more

initiative and commitment, which depend on deeper passions and satisfactions than extrinsic rewards can offer. Fortunately, the new work has the potential for much richer, *intrinsic* rewards. Intrinsic rewards come to workers directly from the work they do—satisfactions like pride of workmanship or the sense that they are really helping a customer.

I will spell out the intrinsic rewards that are possible in today's work in part 2 of this book. But to fully appreciate these intrinsic rewards, you need to understand two key aspects of the new work—purpose and self-management—for they are at the root of intrinsic motivation. We'll cover those topics in the next two chapters, beginning with purpose.
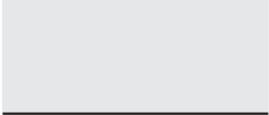
2

The Rediscovery
of Purpose

This chapter will help you understand the key role of purpose in today's work. As we'll see later, meaningful purposes are a foundation for worker engagement and self-management.

To begin, let's take a moment to consider the nature of work itself.

What Is Work, Anyway?

I invite you to take a moment to examine your own assumptions about work. Work is made up of *tasks*. What words or phrases come to mind when you try to define what a task is? If that is too general of a question, then pick a specific task your work team performs and think about how you would describe it to a new team member.

I've learned that there are two very different ways of answering that question. The first way reflects the traditional, activity-centered notion of work. It says that tasks are made up of *activities*

(behaviors) that a worker needs to perform. So if you were explaining flight attendants' jobs, for example, you would mention activities such as giving safety instructions, serving meals and beverages, and distributing pillows. This is the way most of us were trained to think about workers' jobs. It is a notion of work that fit the compliance era very well, since compliance is about following behavioral directions.

The other way of answering the question involves a more purpose-centered view of work. It says that tasks are most fundamentally defined by the *purposes* they serve. If you were explaining flight attendants' jobs in a purpose-centered way, for example, you might say they are there to keep passengers safe, comfortable, and satisfied. Or you might mention the purposes as a way of explaining the task activities: giving safety demonstrations and enforcing FAA rules to promote safety, providing food and bedding for passenger comfort, and generally trying to keep passengers satisfied.

These purpose-centered answers reflect a fundamental insight about work tasks. Tasks are made up of more than the activities people perform. After all, those task activities only exist because someone chose them as a way of accomplishing a purpose. *Tasks, then, are sets of activities directed toward a purpose.* Betty Velthouse and I offered that insight in an article nineteen years ago, and I am still amazed at its importance.[1]

Rediscovering the role of purpose in work is key to understanding the new work and the motivation of today's workers. Without a clear notion of purpose, workers cannot make intelligent choices about work activities, and they are also deprived of a sense of the meaningfulness of their work. So, if you and others in your organization are still thinking about work in an activity-centered way, you'll have some rethinking to do.

Two Important Facts About Purposes

To help you understand the role of work purposes in engagement, you should know two basic points about purposes. First, work purposes generally involve events that are external to workers' jobs. That is, most work purposes involve outcomes that occur not to the worker, but to some customers (internal or external) in the worker's environment. There are some exceptions involving secondary tasks. For example, my task of cleaning off my desk is aimed at allowing me to better accomplish my main work purposes. But those main purposes involve meeting the needs of book publishers, readers, students, and research sponsors. Environmental needs like this create jobs in the first place. Importantly, meeting those needs—and having a positive impact on one's environment—is what gives the job its significance or meaningfulness.

The second point is that achieving work purposes is not totally under a worker's control and involves inevitable uncertainties. Because they are external to workers' jobs, task purposes depend not only upon workers' activities, but on outside events as well. For example, flight attendants' purpose of keeping passengers satisfied depends on passengers' moods, flight delays, turbulence, and the behavior of other passengers. Likewise, a forest ranger's success in keeping wildlife healthy depends on factors such as naturally occurring diseases, lightning-started forest fires, and the behavior of campers and hunters. The fact of these uncertainties provides much of the challenge and suspense involved in accomplishing work purposes—and produces much of the satisfaction in their accomplishment.

How Purpose Got Removed from Work

I'm going to give you some history and background here—to explain why purpose got removed from jobs for a long time, why

it has suddenly and dramatically reemerged, and how purpose-centered leadership has become critical. This material helps leaders to reexamine some half-truths that were taught in management training in the not-too-distant past. (But if you are in a hurry, just jump ahead to the section called "Not All Purposes Are Equally Engaging" toward the end of this chapter.)

If purposes are fundamental parts of tasks, how did they get separated from traditional notions of work? The answer goes back to the early twentieth century when the industrial era was blooming. It was then that so-called scientific approaches to management began to develop, largely to meet the demands of the new phenomenon of mass production. The environment of the early twentieth century was considerably more stable and predictable than today's. That is, its uncertainties were more manageable for organizations. This meant that organizations could largely coordinate their tasks using two simple devices: centralized, hierarchical control and detailed rules and procedures.[2]

Let's start with centralized, hierarchical control. Because uncertainties were relatively manageable, managers could take on the responsibility for handling them. In effect, they walled workers off from the environment and its uncertainties. For decades, it was considered sound management to "buffer" workers from potentially disruptive environmental events and to "absorb" uncertainty on their behalf, and this language was reflected in the classic works on management.[3] Notice how paternalistic this language sounds today.[4] Managers essentially took over the decision making involved in handling uncertainties in order to achieve the task purpose. They became the "keepers of the purpose." Knowing about task purposes and their accomplishment became unnecessary for workers.

Without a knowledge of purpose, of course, workers could not make intelligent decisions about which task activities to perform

or how to perform them. So management had to provide direc-
tions on what activities to perform and how to perform them—in
the form of detailed rules and procedures. Worker judgment itself
was seen as a source of uncertainty that needed to be controlled so
these rules and procedures were also used to systematically elimi-
nate choice from jobs. Industrial engineers determined the opti-
mal sequence of activities needed in a worker's job and the optimal
way of performing those activities—often down to individual arm
movements. Frederick Winslow Taylor championed this "Scientific
Management" approach to job design, which was also referred to
as "time and motion" or "efficiency" work.[5] In short, work tasks
came to be defined solely in terms of behavioral activities, and those
activities were prescribed through detailed rules and procedures.
Managers enforced compliance with those rules and procedures
through close supervision and extrinsic rewards and punishments.

This treatment of workers seemed like the natural order of
things during the industrial era. Machinery was celebrated as the
great enabler of efficiency and productivity. Engineers became
influential voices in organizations, and organizations themselves
came to be viewed as machines. Managers tried to run their orga-
nizations like machines—rationally, predictably, impersonally, and
efficiently. Their emphasis on centralized control and elaborate
rules came to be called "machine bureaucracy." It was easy, by
extension, to think of workers as imperfect pieces, or cogs, within
the organizational machinery. The classic Charlie Chaplin film
Modern Times provides a memorable caricature of this assumption.

Why Purpose Is Back at Work

Bureaucratic principles about management were so ingrained that it
took a great deal of research in the second half of the twentieth cen-
tury to show that there were significant exceptions. Organizations

facing uncertain technologies and environments required less bureaucratic forms of organization.[6] But now, at the beginning of the twenty-first century, these "exceptions" have become the rule. The environment that was so stable a hundred years ago is now fast paced and unpredictable—what Professor Peter Vaill aptly called "permanent whitewater."[7] The world is smaller, and organizations must respond online to developments in a truly global economy. Technological innovation continues to accelerate, as does the rate of development of new products.

Meanwhile, our economy has also become overwhelmingly based on services rather than manufacturing. Manufacturing now accounts for less than 10 percent of jobs in the United States, while service industries account for approximately 80 percent.[8] Even IBM, once dominant in the manufacture of computers, is now primarily in the business of providing business solutions. Service organizations face relatively high levels of uncertainty because their clients' needs and circumstances differ, so these organizations and their employees require considerable flexibility to customize their services to customer requirements.

The upshot is that the number and complexity of the uncertainties facing organizations have overwhelmed the capacity of bureaucratic management. The hierarchy can no longer absorb most of these uncertainties or buffer workers from them, so the wall between workers and the organization's environment has come crashing down. Organizations need workers to take active responsibility for handling more and more of the uncertainties involved in the accomplishment of their purposes. So organizations have been forced to flatten their hierarchies and push decision making down to workers. Workers are called on to adapt to customers' needs, simplify and improve organizational processes, coordinate with other workers and teams, and initiate ideas for new products and services. In short, organizations now depend

on workers to use their own judgment and to make many of the decisions formerly made by managers alone.

As decision making has become less centralized, rules and procedures have been dramatically reduced. After all, much of their rationale was to reduce and control worker choice, and organizations now need to give workers the space to make intelligent choices. Consider the old refrain that countless customers heard when encountering bureaucratic requirements that made no sense in their case: "Sorry, I'm just following the rules." That line is no longer acceptable in today's business climate and is being replaced by "Let's see what I can do to help." Flight attendants are generally free now to hand out drinks or snacks during long on-ground delays, for example, instead of sticking to a strict schedule. Likewise, hotel receptionists are increasingly given the leeway to reduce charges to make up for service deficiencies reported by customers. In this new environment, then, it is widely recognized that employee empowerment requires a pushing down of choice and authority to workers to allow them to make intelligent decisions.

The point that I want to emphasize here is that all these changes also require that a strong sense of purpose gets put back into workers' jobs. Workers simply cannot make intelligent choices without having clear task purposes. Workers must also be committed to those purposes. For, as mentioned earlier, the greater judgment of the new work requires a deeper personal commitment than did the old compliance work. For these and other reasons, career counselor Richard Leider has suggested calling the new era the "age of purpose."[9]

The Human Need for Purpose

Fortunately, organizations' needs for committed, purposeful work fit an intense human need for purpose. It is the purpose aspect of

the new work that most engages our commitment and stirs our passions. Our workdays may be structured by our work activities, but those activities are given meaning and significance by the purposes they serve. Much of the color in our lives comes from the drama, challenge, struggle—and it is to be hoped the triumph—of handling the uncertainties involved in accomplishing those purposes.

There is a great deal of evidence that people are hardwired to care about purposes. We seem to need to see ourselves as going somewhere—as being on a journey in pursuit of a significant purpose. In *The Hero with a Thousand Faces*, the late Joseph Campbell reported that virtually all cultures have parallel myths about heroic journeys.[10] These journeys involve dramatic difficulties, dangers, periods of despair, and eventual success—always in the service of a worthy purpose. These myths, then, seem to capture an essential part of the human experience.

There is also much evidence that people suffer when they lack purpose. Clinical studies show that people deteriorate in various ways if they are without purpose. This insight first showed up in the survival of concentration camp internees[11] but also seems to be a factor in the survival and well-being of military prisoners of war, people in nursing homes, and even retirees. In the 1960s, the French existentialist movement also drew attention to the psychological emptiness that comes from a lack of purpose. Philosophers like Sartre and Camus pointed out that, without purpose, life becomes meaningless and people experience a sense of alienation and angst. Camus captured this sense of meaninglessness vividly in *The Myth of Sisyphus*.[12] Sisyphus was a king in Greek mythology who had so offended the gods that he was condemned to roll a large stone up a steep hill in Hades only to watch it roll down again and endlessly repeat this cycle. This Greek version of hell was essentially a demanding but meaningless activity with no purpose.

The lack of purpose in the compliance era, then, had significant psychological costs for workers. But generations of workers came to accept this as the nature of work. In his book *Working*, Studs Terkel used the memorable phrase "a Monday through Friday sort of dying" to refer to these costs at their worst.[13] Compliance-era work was a bit like Sisyphus's toil, except that you could go home in the evening and take the weekend off. Workers came to think of this sort of work as a kind of necessary evil (or devil's bargain)—forty to sixty hours a week of meaningless labor in exchange for economic survival. Work was considered an economic cost that left you depleted. It was something to survive rather than enjoy—something to withdraw from emotionally, to numb out from and get through.

In contrast, today's workers—and especially knowledge workers—tend to expect their work to be at least somewhat meaningful and rewarding. They are more educated than workers of the preceding era, have a higher standard of living, and see more opportunities for meaning in the new work.[14] Researchers on generational differences note that younger workers (Generation Xers and millenials) are especially likely to demand meaningful work—and to leave if they do not find the work meaningful. These younger workers also want more freedom to work in their own style, finding their own ways of accomplishing a task purpose.[15]

So today's workforce and the new work combine to produce a growing demand for meaningful work. This demand is becoming a powerful force in the new job market. A number of recent books are aimed at workers who want to change jobs to find work that better serves the purposes they care about. Organizations now find themselves competing to attract and retain workers on the basis of the meaningfulness of their work. I live close enough to Silicon Valley to hear the radio ads stressing the opportunity to move to an organization that offers "exciting projects" that "make a difference."

Purpose-Centered Leadership

As the work environment and worker expectations have changed, our understanding of leadership has gone through a dramatic paradigm shift. Compliance-era models of leadership were based largely on studies of first-line supervisors at a time when managers buffered workers from environmental uncertainties. Likewise, the motivational assumptions behind those models involved exchanges or transactions of extrinsic rewards for performing those activities. These models are now called "transactional" leadership.[16]

By the late 1970s and early 1980s, however, it was clear that these models were no longer adequate. They didn't work for higher-level leadership, and they didn't work when workers had to adapt and change in response to environmental uncertainties. What was missing, of course, was any mention of an overriding and meaningful task purpose.

In the late 1970s, the political scientist James McGregor Burns published an influential study of U.S. presidents who had inspired national change.[17] He found that these presidents had held out a worthy purpose around which the nation could rally. These presidents were also able to articulate a compelling vision of what the future would be like if that purpose were met. The purpose and vision, then, provided a target that could align the efforts of different people to solve problems and cooperate. At the same time, the compelling vision was a strong motivational force that inspired people. Burns emphasized that these meaningful purposes appealed to people's higher nature, rather than to their "lower" needs for self-interest and extrinsic rewards. He called this form of leadership "transformational."

Burns's purpose-centered approach to leadership was soon adapted by management researchers and practitioners. Since the 1980s, a wealth of books on transformational, inspirational, or

visionary leadership have been published.[18] The new purpose-centered models of leadership now apply not only to top managers but to team leaders at all organizational levels. Purpose-centered leadership gives workers the information they need to make intelligent decisions and also provides an intrinsically rewarding sense of meaningfulness for their work. Even the rather hierarchical U.S. military has shifted leadership practices to emphasize purpose-centered leadership. Written orders now begin with a "commander's intent" that spells out the purpose behind an order. Knowing the purpose makes the activities more meaningful and also allows individuals to improvise in order to better accomplish the purpose when they encounter unexpected circumstances. (Purpose-centered leadership will be discussed in more detail in part 4 of this book.)

Not All Purposes Are Equally Engaging

Organizational statements of vision followed from purpose-centered leadership and are now very common. Again, they serve both to guide decision making and to gain commitment to a common purpose. Because they are aimed at gaining commitment rather than compliance, these vision statements can't be enacted by fiat and simply pushed down through the organization. You can't delegate commitment, after all—you have to find a purpose that inspires it.

As Burns had learned with U.S. presidents, corporate executives found that not all purposes are equal. Some evoke deeper passions than others. In particular, workers are seldom inspired by economic purposes involving profit—unless the company's welfare is threatened. Rather, inspiration generally comes from deeper values and higher purposes. A good vision statement forces management to dig into the fundamental values that underlie the organization's culture—to understand what the organization stands

for.[19] Common themes here are service to customers, a commit-ment to quality, and a drive for innovation—worthy purposes that people in the organization can take pride in. The organization's vision, then, is a statement of an exciting future that would be meaningful and worthy as judged by those values.

In this way, purpose-centered leadership and workers' needs for meaning have become a force for redefining organizational goals. Although profits and market share remain important, the trend is no longer to see them as paramount. Studies of organiza-tions that have been highly successful over a long period found that these organizations have core ideologies that emphasize "more than profits."[20] One of those researchers used the following analogy to describe the status of economic goals: "[Organizations] need profits in the same way as any living being needs oxygen. It is a necessity to stay alive, but it is not the purpose of life."[21] Peter Block argued that purposes such as customer service and qual-ity are not only more meaningful for workers but are also what put organizations closer to the marketplace to begin with and are therefore what take care of financial issues.[22] Recently, the term "balanced scorecard" has become popular to discuss this broaden-ing of organizational goals to include service to customers and other stakeholders.[23]

For an example of a purpose-driven management philosophy that emphasizes service to multiple stakeholders, see "Purpose-Driven Management: The New West Institute."

Shared Purposes Transform Relationships

One of the benefits of a shared, compelling purpose is that it acts as a "superordinate goal" that promotes collaborative relationships among organizational members—so that people approach issues with the goal of finding a solution that best serves the common

PURPOSE-DRIVEN MANAGEMENT:
THE NEW WEST INSTITUTE

The New West Institute emphasizes purpose-driven management in its consulting and has used the material in this book as a foundation for its work with organizations. Its leaders refer to their management philosophy as The 3rd Way.[24] New West contrasts the 3rd Way with two earlier approaches to management that were driven respectively by (1) deference to heroic bosses who were hoped to have the answers and (2) heavy reliance on programs and policies. In 3rd Way organizations, hierarchies, programs, and policies are seen as being of secondary importance to the organization's purpose in guiding decisions. The shared criterion for a decision, then, is not "what does the boss think?" or "what does the policy say?" but "what would advance the purpose?" Bosses are open to new information when they are wrong, and policies can be revised when they don't advance the purpose.

In spelling out purpose, New West advocates serving the needs of three primary stakeholder groups—clients, owners, and coworkers. Managers and workers seek to find "triple wins" that advance the needs of all three groups—meeting clients' needs, providing profits for owners, and helping to develop coworkers. New West emphasizes that this balancing act requires daily, disciplined attention. The objective is to form long-term relationships with members of each group in order to avoid the costs and volatility of turnover in clients, employees, or stockholders. For each group, then, this objective is pursued through four core processes: *attracting* ideal clients, employees, or stockholders by making promises to them; *fulfilling* these promises by meeting their needs with every contact within the organization; *retaining* them by prizing the future value of the relationships; and *improving* their quality of life by continuing to find ways of benefiting them. Managers and workers jointly commit to "serving the three with the four," that is, serving the three stakeholder groups through the four core

business processes. While a business must perform more than these four processes in order to succeed, New West contends that these four core processes provide the essential foundation for that success.

This shared commitment creates a "community of purpose" within the organization. New West finds that managers act less like parents and workers act less like children than under other management philosophies. People treat each other like adults engaged in a common purpose. As New West puts it, "No kids are allowed in the twenty-first century."

purpose. Within a work group, then, a compelling shared purpose transforms the relationships between team members—including the relationship between you, as the leader, and the rest of the team.

In the compliance era, leaders were often forced to act like parents—knowing what was best, making the decisions, and enforcing the rules. The status difference between bosses and subordinates was substantial, decision making was often autocratic, and deference toward bosses and their opinions was expected. In today's work, on the other hand, shared purposes and the need for worker judgment allow workers to be treated more like adults and relationships between you and your team members to be more collaborative and egalitarian. When a common purpose becomes paramount, then, you will want to seek out helpful information from team members, and they will want to help you avoid mistakes.

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In summary, it's clear that purposes are powerful parts of the new work. The next chapter looks at what is involved in achieving those purposes—the process of self-management.

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