

Dan Pink: The Surprising Truth About What Motivates Us

Our motivations are unbelievably interesting. I've been working on this for a few years, and I just still find the topic so amazingly engaging and interesting, so I just wanna tell you about that. The science is really surprising. The science is a little bit freaky, okay. We are not as endlessly manipulable and predictable as you would think. There's a whole set of unbelievably interesting studies. I want to give you two that call into question this whole idea that if you reward something you get more of the behavior you want, if you punish something you get less of it.

So let's go from London to the mean streets of Cambridge, Massachusetts, in the northeastern part of the United States, and let's talk about a study done at MIT – Massachusetts Institute of Technology. Here's what they did: they took a whole group of students and gave them a set of challenges. Things like memorizing a string of digits, solving word puzzles, other kinds of spatial puzzles, even physical tasks like throwing a ball through a hoop. They gave 'em these challenges and they said to incentivize their performance, they gave them three levels of rewards, okay. So if you did pretty well you got a small monetary reward, if you did medium well you got a medium reward, and if you did really well, if you were one of the top performers, you got a large cash prize. We've seen this movie before. This is a typical motivation scheme within organizations. Right? We reward the very top performers, we ignore the low performers, and the folks in the middle...okay, you get a little. So what happens? They do the test, they have these incentives, and here's what they found out:

(1) As long as the task involved only mechanical skill, bonuses worked as would be expected: the higher the pay, the better the performance. That makes sense. But here's what happened: **once the test called for even rudimentary cognitive skill, a larger reward led to poorer performance! Now this is strange...a larger reward led to poorer performance. How can that possibly be?** Now what's interesting about this is that the folks who did it are all economists – two at MIT, one at the University of Chicago, one at Carnegie Mellon – okay, the top tier of the economics profession, and they're reaching this conclusion that seems contrary to what most of us learned in economics, which is that the higher the reward, the better the performance. And they're saying, once you get above rudimentary cognitive skill, it's the other way around. The idea that these rewards don't work that way seems vaguely left wing and socialist, doesn't it? It's this weird, socialist conspiracy. For those of you who have those conspiracy theories, I want to point out the notoriously left-wing socialist group that financed the research: the Federal Reserve Bank – the most mainstream of the

mainstream coming to a conclusion that seems to defy the laws of behavioral physics!

So this is strange. Strange findings. So what do they do? They say let's go test it somewhere else. Maybe that \$50, \$60 prize isn't sufficiently motivating for MIT students. Let's go to a place where \$50 is more significant. So we're gonna take the experiment and go to Madurai, India – rural India – where \$50, \$60, whatever the number was is actually a significant sum of money. So they replicated the experiment in India roughly as follows: the small rewards were roughly the equivalent of two weeks' salary; medium performance, about a month's salary; high performance, about two months' salary. Those are good incentives, so you're probably gonna get a different result here. But what happened was the people offered the medium reward did no better than the people offered the small reward. But this time around the people offered the highest reward did worst of all! Higher incentives led to worse performances.

What's interesting about this is it isn't all that anomalous. This has been replicated over and over and over again by psychologists, by sociologists, and by economists – over and over and over again. For simple, straightforward tasks, these kind of incentives – “If you do this then you get that” – they're great. Tasks that are algorithmic, you just follow a set of rules, get a right answer, if then, carrots and sticks...outstanding. But when a task gets more complicated, when it requires some conceptual, creative thinking, those kinds of motivators demonstrably don't work.

Fact: money is a motivator at work, but in a slightly strange way. If you don't pay people enough they won't be motivated. What's curious is there's another paradox here, that the best use of money as a motivator is to pay people enough to take the issue of money off the table. Pay people enough that they're not thinking about money, they're thinking about the work. Once you do that, it turns out there are three factors that science shows lead to better performance, not to mention personal satisfaction: autonomy, mastery, and purpose.

Autonomy is our desire to be self-directed – to direct our own lives. In many ways, traditional notions of management runs afoul of that. **Management is great if you want compliance; but if you want engagement, which is what we want in the workplace today as people are doing more complicated, sophisticated things, self-direction is better.** Let me give you some examples of this. One of the most radical forms of self-direction in the workplace that leads to good results. Let's start with Atlassian – an Australian software company, and they do something really cool. Once a

quarter on a Thursday afternoon, they say to their developers, "For the next 24 hours you can work anything you want. You can work on it the way you want, you can work on it with whoever you want. All we ask is that you show those results to the company at the end of the 24 hours." And it's a fun kind of meeting, with beer and cake, and fun, and other things like that. It turns out that that one day of pure, undiluted autonomy has led to a whole array of fixes for existing software, a whole array of ideas for new products that otherwise would have never emerged. One day!

Now this is not an "if then" incentive. This is not the sort of thing I would have done three years ago, before I heard this research. I would've said, you want people to be creative and innovative? Give 'em a freakin innovation bonus. "If you can do something cool, I'll give you \$2,500." They're not doing this at all. They're essentially saying, you probably wanna do something interesting, let me just get out of your way. One day of autonomy produces things that would never emerge.

Now let's talk about mastery. Mastery is our urge to get better at stuff. We like to get better at stuff. This is why people play musical instruments on the weekend. These people act in ways that don't make any sense economically. They play musical instruments on the weekends. Why? It's not gonna make them any money. 'Cause it's fun. 'Cause you get better at it, and that's satisfying. Go back in time a little bit. Imagine. I imagine if I went to my first economics professor, a woman named Mary Alice Shulman, if I went to her in 1983 and said, "Professor Shulman, can I talk to you after class a minute? I got this inkling...I've got this idea for a business model, I just wanna run it past you. Here's how it would work: you get a bunch of people around the world who are doing highly skilled work, but they're willing to do it for free and volunteer their time – 20, sometimes 30 hours a week." She's looking at me somewhat skeptically now. "Oh, but I'm not done! Then, what they create, they give it away rather than sell it. It's gonna be huge!"

She would have thought I was insane. It seems to fly in the face of so many things. But you have Linux powering servers in one out of four Fortune 500 companies. You have Apache powering more than the majority of web servers. You have Wikipedia. What's going on? Why are people doing this? Why are these people, many of whom are technically sophisticated, highly skilled people--who have jobs, they have jobs, they're working at jobs for pay doing sophisticated technical work – and yet, during their limited discretionary time, they do equally if not more technically sophisticated work, not for their employer, but for someone else for free! That's a strange economic behavior! Economists have looked into it: **why are they doing this? It's overwhelmingly clear: challenge and mastery, along with making a contribution, that's it.**

What you're seeing, more and more, what's arising is what you might call the purpose model. Organizations want to have some kind of transcendent purpose – partly because it makes coming to work better, partly because that's the way to get better talent. And what we're seeing now is when the profit motive becomes unmoored from the purpose motive, bad things happen. Bad things ethically sometimes, but also bad things like just not good stuff. Like crappy products. Like lame services. Like uninspiring places to work. When the profit motive is paramount, or when it becomes completely unhitched from the purpose motive, people don't do great things.

More and more organizations are realizing this, sort of disturbing the categories between what's profit and what's purpose. And I think that heralds something interesting. I think the companies that are flourishing, whether they're nonprofit, for profit, or somewhere in between, are animated by this purpose model. Let me give you a few examples: Here's the founder of Skype. He says our goal is to be disruptive but in the cause of making the world a better place. Pretty good purpose. Here's Steve Jobs. I wanna put a ding in the universe. Alright, that's the kinda thing that might get you up in the morning racing to go to work.

So I think we are purpose maximizers, not only profit maximizers. The science shows that we care very, very deeply about mastery, and the science shows that we want to be self-directed. So I think the big takeaway here is that if we start treating people like people, and not assuming they're simply horses – slower, smaller, better smelling horses – **if we get past this ideology of carrots and sticks and look at the science, I think we can actually build organizations and work lives that make us better off, and I think we also have the promise to make our world just a little bit better.**