

# The strategist's bookshelf

## Motivating strategically and empathetically

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*The Motivational Toolkit: How to Align Your Employees' Interests with Your Own*, David M. Kreps (Norton, 2018) 216 pages.

If you want to choose an infallible, ready-to-use motivational tool that you can install in your organization without any soul-searching about what your human resources and strategy issues are, then this isn't the right book for you. After providing descriptions of several such tools in *The Motivational Toolkit: How to Align Your Employees' Interests with Your Own* David Kreps offers detailed discussions of their particular strengths and weaknesses. The positives and negatives of these tools, he insists repeatedly, ought to be used by readers as an aid to thinking about how the tool that they are choosing should be customized, making it suitable for use in their organization. If doing that sort of prep work doesn't sound appealing to you, forget it. This book by the Adams Distinguished Professor of Management at the Stanford Graduate School of Business isn't for you.

However, if you are willing to think about how to tailor your motivational efforts to both your strategic needs and to the concerns and personal goals of your employees, then this book may very well provide you with some useful answers to a question raised in the opening sentence of the very first chapter of the book's eight chapters: "How should an organization motivate the people who work for it, to get the best possible results?"

### Monetary motivation

Using examples from named, disguised and fictitious organizations, the book's next two chapters focus on one answer to that question: pay for performance. Then, although the chapter's title, *The Economics of Employment Relationships*, will probably cause some readers to expect nothing more than a continuing exploration of the ways in which economic incentives, such as pay, can be used to motivate work behavior, an important portion of the fourth chapter is actually devoted to issues like authority, decision making, credibility and reputation. Thus, readers are alerted to non-economic aspects of work that also inevitably affect employee motivation. As a consequence, this chapter is an excellent bridge between the previous chapters' focus on economic incentives and the subsequent two chapters' focus on motivational approaches that are designed to manage selected aspects of the social psychology of employment relationships.

### Empowering employees to create customer value

"Things that employees value beyond wages" and the implications that they have for designing motivational schemes is the primary focus of the first of these two chapters, chapter five. Additional implications are also discussed in the next chapter, but here particular attention is paid to five social psychological theories of motivation. Each of them is briefly

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summarized by Kreps: Expectancy theory, Goal-setting theory, Equity theory, Self-determination theory, and Self-perception theory.

Critics may carp that Kreps's selection of theories omits attention to other social psychological phenomena that affect individual motivation, such as leadership style, decision making power, group cohesiveness and social interdependence. True, there are omissions, but Kreps makes a uniquely convincing, clear case that individual work efforts are guided by both economic and non-economic factors. And that accomplishment deserves praise.

### Rewarding teams

In the book's two final chapters Kreps explores special features of teams and organizations that should be considered by any manager wanting to use some motivational device in his or her organization, regardless of whether the device's design was guided by economic or psychological assumptions. In the first, chapter seven, he demonstrates that motivating teams requires motivational schemes crafted in ways that are specifically suited to the actual work arrangements and job designs that are in use. For example, different motivational schemes would probably be warranted if one team's work required predominately independent individual efforts that are periodically aggregated whereas

another team's work required predominately well-coordinated, highly interdependent individual efforts.

### Customization questions

Supporting his constant warning – think about your organization's needs and use them to refashion whatever motivational tool you're choosing – in the book's final chapter, Kreps uses his experiences as a management educator and organizational consultant to provide readers nine sets of what, at a first glance, might seem like very ordinary and, therefore, very unremarkable questions. Their special importance emerges, however, when the author follows each question with a discussion that plainly illustrates the ways in which variations in answers have crucial implications for the motivational schemes that managers' craft.

The questions are:

1. What is your business strategy, and what role do your employees play in achieving that strategy? Are you eliciting the behavior you want?
2. What is special about the economic, social and legal environment within which you operate?
3. What is your work technology?
4. What are your job designs?
5. Who are your employees?

6. Are you and your employees on the same page?
7. What about your pool of job applicants?
8. How well do your different HRM policies and practices fit together?
9. How about your organizational culture(s)?

Throughout the book, reader friendly “recap” boxes helpfully summarize a chapter's critical material. And, another aid to readers that deserves special mention is Kreps' writing. The style is informal, filled with phrasing that is more common in speech than writing. It doesn't always work, probably because written communications sometimes require features that are different from those used in spoken communications, but it is largely successful, making the reading easy and pleasant.

If you have people reporting to you, read this book. In all likelihood it will help you to think about ways of successfully motivating your subordinates. The potential gain is more than merely economic. To paraphrase Kreps, speaking to bosses everywhere, he tells them that, rather than trying to control employees through specific do's and don'ts, your job is to unleash their passion and creativity in productive directions. Reading this book, and learning more about available motivational tools as well as ways of sculpting them for your organization, should bring you a step closer to doing that job successfully.