



# Motivation and employee engagement in the 21st century

Much of what we already know about motivation still holds true, even in today's turbulent business environment. But nearly half of the managers in a survey by Ashridge Business School feel that organisations and managers still don't get it right. **Fiona Dent**, **Viki Holton** and **Jan Rabbetts** explain why

**Motivation has been a major managerial issue for decades. Since the second world war many researchers have explored the area – Abraham Maslow, Frederick Herzberg, Douglas MacGregor, Clayton Alderfer and John Hunt to name but a few.**

Much of what they found remains applicable and important today. However, there have been changes in both individual and organisational working practices, processes and principles that have an effect upon the needs and views of the 21st Century employee. These include the focus on work-life balance, virtual working, home workers and the increased focus on formal performance management processes.

During many of our development programmes at Ashridge participants continue to be challenged by the whole area of motivation – both their own and that of their colleagues and

**Table 1: The seven key factors for motivation and engagement**

What Managers Want Ranking		What Organisations Rely On Ranking
1	Challenging/interesting work	2
2	Opportunity to learn continuously and develop skills and knowledge	5
3	A high basic salary	6
4	Having the authority to run 'my own show'	15
5	Clear career advancement within the organisation	8
6	Knowing my decisions have an impact on the organisation	14
7	Performance-related pay/incentive schemes	1



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subordinates. We were interested to understand more about what individuals need to keep them motivated and engaged and what organisations are currently doing to support the motivation and engagement of their employees.

Part of the “The Ashridge Management Index” focussed on employee engagement and motivation. We explored this from two different perspectives:

- Personal motivation – what is it that motivates you at work?
- Organisational motivation – what approaches are organisations adopting to ensure employees are engaged and motivated in the workplace?

The research was done in two stages. First, a questionnaire that was largely quantitative in nature followed by a second survey that was qualitative. On both occasions we selected several respondents to interview in order to pursue the issues in more depth.

During the first survey we suggested a list of key motivators and asked respondents (about 1,400 of them) to rank each element in relation to importance to themselves and also to rank them in terms of how their organisation viewed these as motivators for employees. Table one highlights the major responses.

It is interesting to note the discrepancies between what managers want and what they believe their organisations rely on. This disconnect is one of the reasons we decided to explore this area in further depth.

It was of particular interest to us that while performance-related pay and incentive schemes had some motivating effect on individuals, the majority believed that their

organisation over relied on this as a key motivator when basic salary was more important to individuals (especially if it was felt to be a fair one). However, that said, both individuals and organisations seemed to recognise the importance of providing challenging and interesting work.

The follow-up research survey (of about 200 respondents) was qualitative and involved some of the same people as the first survey as well as new respondents. Table two summarises the key findings.

It appears from the survey findings that the relationship between people within the organisation is more important from a motivational perspective than the relationship between the organisation and its people. In these challenging times it is easy to lose sight of the importance of the relational and people aspect of motivation especially when people around you are losing their jobs and you are working in overload mode. (See Case Study, page 33) In addition, many organisations have less scope to employ the traditional means of reward and recognition. We would offer the following practical model to help you assess your own motivation, your organisation’s approach to motivation and how you can help motivate others.

The framework suggests that there are five inter-linked aspects of working life that contribute to motivation.

- The **organisation** provides the structure and processes – performance management and reward schemes, training, interesting work. However, these systems can become overly relied on and turn into bureaucratic nightmares that begin to demotivate. So structures and processes in themselves are not

**Table 2: Feedback from follow-up survey**

Question	Findings
Do you feel the approach your organisation takes towards motivating you is largely right?	Yes – 54% No – 46%
Please describe what your organisation does that motivates you?	Autonomy, empowerment, trust and freedom “trust being shown in me to deliver important outcomes”, “freedom to create” Shares the vision, values and beliefs; engaged “clearly communicated picture of expectations of our division”, “clear values which are shared” Involved, consulted and values my opinions “values my contributions”, “informs me and involves me”, “suggest changes and be listened to” Pay and rewards “acceptable level of reward”, “salary (obviously!)”, “financial package”, “OK salary”
What else could your organisation do to motivate you?	More recognition, thanks, encouragement and feedback. “some kind of formal recognition would be good”, “better recognition of good work”, “wider recognition of success”, “say thank you occasionally”. Improved communications, more visibility of top team, contact, talk more, be more open “better communications and a couple of thank yous” More money “performance related pay – for some”, “pay more”, “salary increases linked to performance”
Describe anything that your organisation does which demotivates you?	Poor management/leadership, slow decision making, risk aversion at the top “risk averse and will always err on side of caution”, “going back on decisions”, “lack of leadership from immediate manager”. Poor top managers and leaders “too many people who lack the skills to be top managers and leaders”, “who avoid giving positive feedback in these litigious times”. Not valued, lack of feedback “lack of acknowledgement/acknowledgement of wrong people”, “not valuing what we do”, “not given feedback often”.
How easy is it to motivate the staff that report to you? And Reasons.	Agree – 75% “Involving, consulting, valuing opinions”, “shares the vision”, “gives clear goals”, “autonomy, trust, freedom”. Disagree – 25% “Negative environment in the organisation”, “Yes...you need to involve, consult, BUT I can’t do it”



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enough – “organisations do not motivate people, it’s people in organisations that motivate people”.

As our research shows, organisations must be clear in terms of vision, communication and decision-making processes. Leaders and managers must earn the respect of others, create an appropriate working environment and provide opportunities for people to grow and develop. This becomes doubly important when times are tough.

- It appears the key element in relation to motivation is for the **individual** to be clear in his or her own mind about what it is that motivates them and how these needs can be satisfied at work. It then rests with the individual to share this information with their boss and relevant colleagues.
- The **boss** provides a crucial role in the motivation process, not only acting as a role model but also valuing each of their colleagues and staff in a way that makes them feel motivated. This means that as a boss you need to take time to understand each person’s needs and “what makes them tick”.

A simple and useful starting point is to engage your people in a conversation about their motivation. As leadership guru Benjamin Zander suggests, a boss could ask people “What could make things around here more meaningful for you”? Simple really, but think about how often something like this is done?

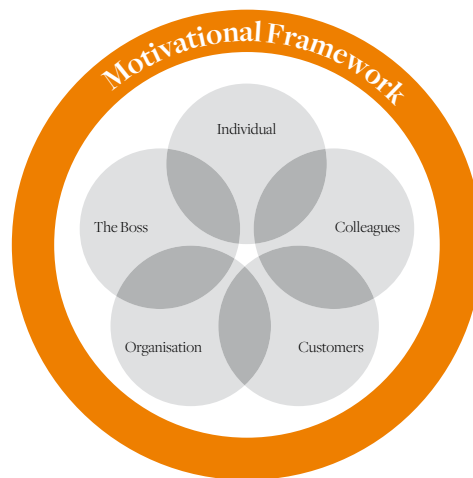
**Case Study –the multinational view**

Yves Kohl works for a high-technology multinational and has been with the company for ten years, most recently as a country manager in Europe. He has a team of 50 people currently, though staff numbers have reduced dramatically over the past year. The current environment (Summer 09) he says is challenging, not least because the technology sector is one of rapid change. The current tough economy is also relevant, “it was a competitive market we were in before the recession but now this is even more the case”. Significant changes are just ahead including a planned merger later this year with another company.

Motivation is often harder to maintain in tough times like these. However, Mr Kohl is clear that motivation is, “one of the most important things for any company; especially one like this. We’re in the service business and there’s no doubt that you make your money by your people and so they have to be motivated”. His own philosophy for motivation is what he describes as a “personal approach” to include:

- Provide work that is worth doing well
- Communicate effectively
- Act as a role model
- Find non-financial targets for the team
- Provide feedback
- Close, constant attention

**Figure 1**



- In addition to the boss **colleagues** can play a major role in levels of motivation at work. Being with like-minded people can energise and motivate us. Several managers in our survey emphasised this – “I personally get motivated by good feedback from those I work with”. The darker side of this is where no collaboration or team spirit exists and can actually cause demotivation – “colleagues who whinge and moan and have a negative outlook”.
- Many of us are also motivated by feedback from our **customers** (both internal and external) and **clients**. The issue here is, to consider whether this is left to chance or part of organisational processes.

A good starting point will be to ask yourself:

- What do I do on a daily basis to help others feel motivated at work? How can I do more of this?
- What happens on a daily basis that motivates me? How can I further influence this?
- It’s tough out there. Am I doing enough? **gf**

What is this all telling us about motivation? It seems to suggest that motivation is more individually focused in that it is about personal relationships and our own perspective on motivation. Organisations can provide platforms, processes and policies to create a framework but this is only a skeleton.

If you want employee engagement and motivation to be truly first class in your organisation you have to apply the model to assess where you have strengths and weaknesses organisationally. At an individual level you have to take responsibility for yourself and for others around you.

**FURTHER INFORMATION**

*Ashridge Management Index: Meeting the Challenges of the 21st Century* – April 2008 by Viki Holton, Fiona Dent and Jan Rabbetts.

*Motivation and Employee Engagement in the 21st Century: A Survey of Management Views* - September 2009 by Viki Holton, Fiona Dent and Jan Rabbetts

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