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# *THE* PROGRESS PRINCIPLE

## USING SMALL WINS TO IGNITE JOY, ENGAGEMENT, AND CREATIVITY AT WORK

TERESA AMABILE

STEVEN KRAMER

HARVARD BUSINESS REVIEW PRESS

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# Introduction

In 2008, Google accomplished a rare feat among companies in any industry. Perched in *Fortune* magazine's lofty ranks of the top five most admired companies in America, Google also ranked among the top five of the magazine's best companies to work for. Millions of people around the world used Google's search engine daily, and ad revenues streamed in at an astonishing rate. The company's Mountain View, California, headquarters took on almost mythical status, tempting many business observers to assume that lavish perks led to employees' outstanding performance.

Media accounts made the ten-year-old Internet powerhouse seem like an employees' paradise, albeit one that relied on fabulous wealth. World-class chefs served up three free meals a day in several cafés spread across the two dozen buildings of the Google campus. Hourly shuttles with Wi-Fi access transported employees, free of charge, between Mountain View and San Francisco. Ping-pong games enlivened workdays, dogs tagged by their owners' sides, and the free state-of-the-art gym never closed. How could other companies possibly aspire to this double nirvana of business success and employee delight?

Our research shows how. And the secret is not free food or athletic facilities. The secret is creating the conditions for great *inner work life*—the conditions that foster positive emotions, strong internal motivation, and favorable perceptions of colleagues and the work itself. Great inner work life is about the *work*, not the accoutrements. It starts with giving people something meaningful to accomplish, like Google's mission "to organize the world's information and make it universally accessible and useful." It requires giving clear goals, autonomy, help, and resources—what people need to make real progress in their daily work. And it depends on showing respect for ideas and the people who create them.

As Google founders Larry Page and Sergey Brin said during the company's magical early years, "Talented people are attracted to Google because we empower them to change the world; Google has large computational resources and distribution that enables individuals to make a difference. Our main benefit is a workplace with important projects, where employees can contribute and grow."[1] In other words, the secret to amazing performance is empowering talented people to succeed at meaningful work.

This book reveals just what that means—for any enterprise. We have written the book for leaders and aspiring leaders curious about inner work life and what they can do, day by day, to support the kind of inner work life that leads to extraordinary performance—an inner work life marked by joy, deep engagement in the work, and a drive for creativity. We incorporate, and expand far beyond, our previous writings on these issues in *Harvard Business Review* ("Creativity Under the Gun," "Inner Work Life," and "Breakthrough Ideas for 2010: 1: What Really Motivates Workers").[2]

Drawing on over thirty years of research, this book focuses on a recent study that looked deeply inside seven companies, tracking the day-by-day events that moved the inner work lives of their people. Although we did not study Google, we did include one company that achieved Google-like success, reigning at the top of its industry for years and breeding highly motivated employees who are proud of their work and enthusiastic about the company. Another one of those companies set the low point of our study; consistently frustrated in their work and disgusted by their organization, its employees despaired as they watched their company's fortunes wane like the *Titanic* sinking beneath the Atlantic.

Throughout this book, you will see many examples of poor management that could ultimately cause companies to go under. This is not because we think managers are evil or incompetent, but because management is both very difficult and critically important. We value the work of good managers, and our aim is to help managers improve by highlighting hidden pitfalls. Management, when done well, can propel an organization toward success while enhancing the lives of people working within it. And when managers accomplish these two goals, their own inner work lives will be uplifted.

Too often, our culture and our organizations place managers and subordinates in opposition. Witness the wild popularity, in the first decade of this century, of the television show *The Office* and the comic strip *Dilbert*. But we have found that this is a dangerous stereotype. In this book, you will also see good managers who transcend the stereotype. Such leaders are crucial to effective organizations because they serve as a powerful positive force supporting employees' inner work lives.

As inner work life goes, so goes the company. We discovered that people are more creative and productive when they are deeply engaged in the work, when they feel happy, and when they think highly of their projects, coworkers, managers, and organizations. But there's more. When people enjoy consistently positive inner work lives, they are also more committed to their work and more likely to work well with colleagues. In other words, work-related psychological benefits for employees translate into performance benefits for the company.

Conventional management wisdom is way off track about employee psychology. When we surveyed hundreds of managers around the world, ranging from CEOs to project leaders, about what motivates employees, we found startling results: 95 percent of these leaders fundamentally misunderstood the most important source of motivation. Our research inside companies revealed that the best way to motivate people, day in and day out, is by facilitating *progress*—even small wins. But the managers in our survey ranked "supporting progress" dead last as a work motivator.[3]

In this book we will share our surprising research discoveries and illuminate the right track for every leader eager to bring maximum benefit to employees and to the company.

## Revealing Inner Work Life: Scenes from 12,000 Days

We never intended to study inner work life. One of us, Teresa, has spent thirty-five years researching creativity at Stanford, Brandeis, and Harvard, focusing initially on how the social environment—including the work environment—can influence creative output. At Harvard Business School, that interest evolved into a pair of burning questions: how do positive and negative work environments arise, and just how do they affect people's creative problem solving? Steven, a fellow psychologist who studied problem solving at the University of Virginia, Vanderbilt, and Brandeis, became captivated by this same question through hours of conversation with Teresa.

As we delved deeper, we realized that we could unravel the mystery of what really affects workplace creativity only by understanding the human stories behind inner work life: what happens to people's thoughts, feelings, and drives as they try to solve complex problems inside companies? This book, and the research program behind it, resulted from a confluence of these questions and our personal lives.

We have been married now for over twenty years. During those years, we have often discussed how our fathers built their own small businesses—businesses that not only succeeded but also brought much joy and pride to their employees. We have often pondered how they managed to pull it off, through good economic times and bad. We have been dismayed at how few modern organizations sustain both highly creative, effective performance and high employee satisfaction over the long run. We realized that, in probing inner work life, we might also discover what really makes the difference between organizations that pull off these feats and those that don't.

To get answers, we opened a window onto the thoughts, feelings, and motivations of people as they did their work every day. We spent years looking through that window, discovering the rich, complex world of inner work life, how it fluctuates as events at work change, and how it influences performance every day.[4] We invite you to look through that window with us and see the daily inner work lives of employees trying to do creative work. You will see how they perceive and react to the actions of managers, their colleagues, the organization, and even the work itself. Our focus on the inner work lives of *employees*, not managers, is designed to show you something you would typically never see. In the last chapter, we round out the picture by turning to the inner work lives of managers.

This book is the fruit of our psychological exploration. Searching for partners in that enterprise, we recruited 238 people in 26 project teams in 7 companies in 3 industries. Some of the companies were small startups; some were well established, with marquee names. But all of the teams had one thing in common: they were composed primarily of knowledge workers, professionals whose work required them to solve complex problems creatively. Most of the teams participated in our study throughout the course of a particular project—on average, about four months. Every workday, we e-mailed everyone on the team a diary form that included several questions about that day. Most of those questions asked for numerical ratings about their inner work lives—their perceptions, emotions, and motivations during that day.

The most important question allowed our respondents free rein: "Briefly describe one event from today that stands out in your mind." The event had to be relevant to the work in some way, but the diary narrative could describe any kind of positive, negative, or neutral event—ranging from the actions of managers and coworkers, to the person's own behaviors, to something that happened outside of work. To maximize candor, we promised complete confidentiality—which is why we disguise the identities of all companies, teams, and individuals in the book. (We collected much additional data besides the e-mailed diaries. You can find more details about every aspect of the research in the appendix.)

Amazingly, 75 percent of these e-mailed forms came back completed within twenty-four hours, yielding nearly 12,000 individual diary reports. These daily journals turned out to be a researcher's goldmine, giving us something that no researcher had enjoyed before—real-time access to the workday experiences of many people in many contexts over a long period of time. Several performance measures indicated that some of these people, and some of their teams, ended up doing very well; some did very poorly.

## Inner Work Life Discoveries

The daily journals revealed what made the difference. They were a porthole showing what many managers, such as the captains of that *Titanic*-like company, are seldom able to see:

- Inner work life is a rich, multifaceted phenomenon.
- Inner work life influences people's performance on four dimensions: creativity, productivity, work commitment, and collegiality. We call this *the inner work life effect*.
- Inner work life matters for companies because, no matter how brilliant a company's strategy might be, the strategy's execution depends on great performance by people inside the organization.
- Inner work life is profoundly influenced by events occurring every day at work.
- Inner work life matters deeply to employees. A testament to this is the extraordinary participation of the volunteers in our research, who completed the diary form day after day, for no more compensation than the insight they would gain into themselves, their work, and their team's work.

In addition to revealing how much inner work life matters to employees—and thus to companies—our research turned up another, deeper layer of meaning, concerning *events that are part of every workday*:

- Three types of events—what we call the *key three*—stand out as particularly potent forces supporting inner work life, in this order: *progress* in meaningful work; *catalysts* (events that directly help project work); and *nourishers* (interpersonal events that uplift the people doing the work).

- The primacy of progress among the key three influences on inner work life is what we call *the progress principle*: of all the positive events that influence inner work life, the single most powerful is progress in meaningful work.
- The negative forms—or absence of—the key three events powerfully undermine inner work life: *setbacks* in the work; *inhibitors* (events that directly hinder project work); and *toxins* (interpersonal events that undermine the people doing the work).
- Negative events are more powerful than positive events, all else being equal.
- Even seemingly mundane events—such as small wins and minor setbacks—can exert potent influence on inner work life.

From the highest-level executive offices and meeting rooms to the lowest-level cubicles and research labs of every company, events play out every day that shape inner work life, steer performance, and set the course of the organization.[5]

## Tales from the Front: Inner Work Life in the Trenches

Fascinating stories lie within the 12,000 daily surveys that provided the grist for our statistical analysis mill. No numerical results, no matter how significant, can tell those tales. In each chapter, we will introduce you to the people, teams, and companies behind the numbers.

Chapter 1 offers your first glimpses of inner work life, as you watch a lauded company heading for disaster. You'll see the men and women of one team in a world-renowned consumer-products company struggle to innovate as new management takes control of their product development agenda.

In chapter 2, you'll watch the devastating effects of this mismanagement on the team's perceptions, emotions, and motivations. These scenes will illustrate what inner work life is and how it operates. You'll begin to see the force that even small events at work can exert on daily inner work life.

Chapter 3 introduces a team of software engineers serving internal customers across a vast hotel empire. As you read of their delight in customer compliments, their discouragement in the face of a pending takeover, and their disdain for corporate management when terminations decimate their company, you will see the *inner work life effect*—how inner work life influences all aspects of individual performance.

Chapter 4 begins with a startling turn of events for these software engineers—a steep uptick in their inner work lives. Their story will show you the *progress principle*—the power of progress to steer people's thoughts, feelings, and drives. You'll see how the software engineers needed a massively positive project to lift their inner work lives out of the polluted stream of bad news that had engulfed them. Analyses across all teams' diaries will reveal that progress in meaningful work is the most important of the key three positive influences on inner work life.

Chapter 5 reveals how the progress principle works. You will see why even small progress events can be so powerful—but also why setbacks are even more powerful. In general, when it comes to events influencing inner work life, bad is stronger than good. Chapter 5 introduces the most important tools for leveraging the progress principle, and shows how progress and inner work life can fuel each other.

In chapter 6, you will see the second of the key three influences, the *catalyst factor.* This includes the myriad ways managers can support projects, such as setting clear goals, allowing autonomy, and providing sufficient resources. This chapter contrasts two teams that differed enormously in the support they received during their projects. One team, laboring in the consumer products "*Titanic*" to develop an innovative kitchen appliance, was hamstrung in its quest by indecisive top management, uncommunicative organizational support groups, and competing agendas. This team's inner work lives were among the worst we saw. The other team, working in a well-respected chemicals firm, found support at every turn as it worked to create a new weatherproof coating for fabric. Top managers responded promptly to requests for resources, gave honest feedback on ideas, and ensured that all organizational groups worked to support the team. Despite serious technical snags, that team triumphantly produced two breakthroughs, and its members enjoyed superb inner work lives throughout the project. This company continued to thrive. The consumer products company did not.

Chapter 7 immerses you in the roiling atmosphere of insults and mistrust endured by a team of mechanical engineers in a hardware company before taking you to the oasis of camaraderie created by the leaders of the hotel company's software team. These tales illustrate the third of the key three influences on inner work life—the *nourishment factor*, or the different ways of providing interpersonal support, such as encouragement, showing respect, and fostering collegiality.

Chapter 8 gives you a tool and a set of guidelines for ensuring that the people you manage get the catalysts and nourishers they need to make steady progress in their work. These catalysts and nourishers are the lifeblood of good inner work life, which sustains superior long-term performance. You will meet one team leader, in a different chemicals firm, who managed to keep his team going—creatively, productively, and happily—in the face of demanding customers and unsettling corporate rumors. Intuitively, he followed a set of practices that chapter 8 codifies into a daily discipline.

Chapter 9 shows you how to apply these guidelines not only to managing people, but also to supporting your own inner work life.

## The New Rules

According to the conventional rules of management in the current information age, leaders manage people. They recruit the best talent, provide appropriate incentives, give stretch assignments to develop talent, use emotional intelligence to connect with each individual, review performance carefully, and retain those who clear the bar. As important as these activities are, relying exclusively on them means relying on the flawed assumption that individual performance depends solely on something inherent in the employee. Management guru Jim Collins advises that it's crucial to get "the right people on the bus."[6] Many managers leap to the temptingly simplistic conclusion that doing so is their most important job.

Unfortunately, the conventional rules miss the fundamental act of good management: *managing for progress*.

According to the new rules born of our research, real management leverage comes when you focus on progress—something more direct than focusing on an individual's characteristics. When you do what it takes to facilitate progress in work people care about, managing them—and managing the organization—becomes much more straightforward. You don't need to parse people's psyches or tinker with their incentives, because helping them succeed at making a difference virtually guarantees good inner work life *and* strong performance. It's more cost-effective than relying on massive incentives, too. When you don't manage for progress, no amount of emotional intelligence or incentive planning will save the day. The tales of our teams give testimony to this, in spades.

The first of those tales begins at an auction.

# 1

# Scenes from the Organizational Trenches

THE AUCTIONEER approached the microphone under a harsh July sun. Before him, much of a vast parking lot had become a tented showroom, crammed with sleek modular desks, Aeron chairs, computers, CAD equipment, machine shop tools, and the smaller factory items that had not already been sold. All the pieces had been efficiently tagged, grouped, and cleaned to attract the highest bidder. Potential buyers stood ready, some having come from miles away to this rural Michigan town, their sights set on particular items and their intuitions sensing a good deal. Behind the auctioneer loomed the former headquarters of Karpenter Corporation, ten brick stories of offices towering over a three-level plant that stretched far into an expanse of former farmland. The offices were empty, the manufacturing plant silent. Weeds sprouted beside the front door.

Toward the back of the parking lot, behind the equipment and the buyers, stood a smaller group, mostly silent: about fifty former Karpenter employees, some of whom had been with the company for more than thirty years. Bruce, an engineer and amateur photographer, had stationed himself near the front, his trusty Canon camera around his neck. Lucas, a financial analyst who hid his bald spot with a Detroit Tigers cap, hovered nearby. Lisa, a young product designer who had worked with Bruce and Lucas, joined the pair and clutched her Snapple ice tea as she squinted at the scene before them. These "Karpenteers," as they had called themselves not so long ago, had once been proud to work at a company respected around the world for innovative products that touched the lives of so many: small power tools, kitchen appliances, manual and electrical cleaning devices, houseware gadgets that went beyond "cool" to nearly essential. Its brand had been recognized by 90 percent of American adults, and its wares were still found in almost 80 percent of American homes. In their days on the Domain team at Karpenter, Bruce, Lucas, and Lisa had designed cleaning gadgets that they continued to see in almost every home they visited, anywhere they traveled on the continent.

As the auctioneer began his task, some former Karpenteers shook their heads in disbelief, grimaced with disgust, or cursed in anger. A few wept. Designers, product managers, technicians, engineers, plant workers—many were still stunned by the company's demise. Karpenter had been their second home and a beloved employer for many years; it had once felt like an extended family, where they mattered and their work counted. It was also the lifeblood of their community and several others that were home to Karpenter facilities. Now it was gone. Although many of them had found jobs in nearby cities, they mourned the loss and saw the auction as a garish funeral.

Just four years earlier, the consumer products company that we call Karpenter had been named one of the ten most innovative, successful companies in America.[1] That parking lot had brimmed with cars, the landscaping was impeccable, and the front door swung with a steady stream of visitors—not only customers and suppliers, but also journalists, researchers, and others eager to learn the secrets of Karpenter's five-decade-long success. But something had gone wrong. Although the signs were not yet visible to most observers, people working in the trenches, including Bruce, Lucas, and Lisa, knew that Karpenter had become a terrible place to work. Their work lives had become nearly intolerable, and the work they were doing just didn't meet the same standards. And so now, while the rest of the industry and the economy continued to boom, Karpenter lay dead.

## On a Course to Disaster

What had precipitated that spectacular demise?

Four years previously, Karpenter had brought in a new top executive team, which reorganized all divisions into cross-functional business teams, with each team managing a set of related product lines. When interviewers asked for the company's success formula, these executives told a compelling story about this model. Each team was to function as an entrepreneurial group, autonomously responsible for everything from inventing new products to managing inventory and profitability. Best of all, they would have the resources of a substantial corporation to back them up, with minimal interference.

But it didn't play out that way. Consider a quarterly product review meeting held at the end of June, when the company was still an industry darling. Jack Higgins, the general manager of the Indoor Living and Home Maintenance division, called these meetings with his vice presidents for each divisional team four times each year. Higgins, a trim forty-eight-year-old golfer fond of sports metaphors, claimed that these meetings would allow management to help the team "refine its playbook" by receiving information and giving constructive feedback on the team's new product development efforts. That day, it was review time for Domain, a team whose product lines focused on manual housecleaning devices.

Things did not go well.

The windowless ground-floor conference room was stifling, its ventilation system broken. The sound of ringing phones, eight receptionists, and more than twenty jocular visitors in the adjacent main lobby made for constant distraction. When Higgins signaled, team leader Christopher, product development manager Paul, and the other invited members of the Domain team began showing the materials that the team had worked diligently to prepare. After listening to the presentation for a while, politely viewing CAD renderings and handling prototypes, the executives took over. They had their own ideas about products the team should be developing. Jack Higgins began with a brief statement about the team needing “a new game plan.” But it was the divisional management team—the vice presidents of R&D, manufacturing, finance, marketing, and HR—who laid out that game plan. The spokesman was Dean Fisher, vice president of R&D. (To help our readers keep track of who’s who, we use full-name pseudonyms for managers outside the teams, and first-name-only pseudonyms for everyone else.)

Domain’s product designer, Lisa, senior product engineer, Bruce, and several other team members had been working feverishly on a radical new design for floor mops, a program they had defended at the previous quarterly meeting, received funding for, and moved through key milestones. Three other new products had been in the works for months as well. But now, with little explanation, Fisher and the rest of the management team decreed that the Domain team should focus on four completely different ideas. One was revitalizing a line of window squeegees, which generated little excitement in the team. No matter—the dictates had been pronounced.

The Domain people attending the meeting made little fuss. They had learned that, with these executives, protests were futile. But private reactions were another matter. Extremely distressed, most of these people felt angry, frustrated, disappointed, and sad, or all of the above. Lisa, then twenty-six, had enthusiastically joined Karpenter right out of a college design program. But she found her motivation for the work that day suddenly sapped. As she described later in her digital daily journal (which we excerpt here, virtually verbatim), all the progress she thought she had been making on designing a new product was for naught: “After the [ . . . ] product review meeting this morning, Ralph [the operating design manager] came over and told me that the Spray

Jet Mops were killed. So, after several weeks of work on the project, it just dies, and all of my team priorities change."[2]

Lucas, Domain's finance manager, reflected the private views of many Karpenteers when he perceived the management team (MT) as overly controlling:

> During our new product review meeting, the MT basically told us what our top priorities were [for] new product development. [ . . . ] It was discouraging that our "freedom" to choose our direction/priorities was taken away from us as a team and we were given our direction, rather than being allowed to make more decisions on our own. [Lucas, 6/30]

Michael, the team's supply chain manager, had seen several abrupt, seemingly arbitrary goal shifts since new Karpenter management had come in three years earlier. He ended his description of the meeting with vivid irony:

> The needle still points north, but we've turned the compass again. [Michael, 6/30]

And Bruce, a long-time senior product engineer, was deeply saddened by this and other incidents that he saw shrinking Karpenter's core strength:

> After working on the Spray Jet Mop program for a period of time, I learn that we are not going to do it now. They say it has been put on hold, but I know we will never do it. It would be nice if we could go back to being the leader in product innovation and not the follower. [Bruce, 7/1]

This product review meeting proved to be a major event for the people of the Domain team. Like the slash of a sword, it cut down months of the team's product development work. Not only did it provoke unhappiness and frustration, it soured people's views of management and drained motivation for the work.

But even small events—more like nicks than slashes—could be just as damaging to workers' thoughts, feelings, and drives. A few weeks later, when upper management began to exert pressure on the teams to show results in Karpenter's cost-reduction program, the Domain team met to assess the program for its product lines. Although Michael had suggested a brainstorming approach to consider cost-cutting ideas beyond those under way, team leader Christopher insisted that the team focus on how best to present what it had already done—even if this meant inflating performance a bit. Although most team members said little in the meeting, their private reactions were explosive, including damaged regard for Christopher, frustration at having their ideas dismissed at the start of the meeting, and hopelessness about the team's ever meeting management's cost-reduction goals.

Product engineer Neil didn't rattle easily. Although he was only twenty-nine, his teammates saw him as an island of stability, an agreeable extravert who calmed fears in times of stress. But this is how he described the scene:

> Today, our whole team met to discuss cost reductions for our product line. There has been lots of pressure from upper management to take cost out of the business. [ . . . ] Christopher's relational style dictated the mode the entire time. (Tense!!) He seemed more concerned with cheating the system just to make our team's numbers look good. (Make him look good!) He was pushing his title around and telling us all what to do. I wasn't motivated to follow his leadership at all. Instead, I wanted to do just the opposite! I want to follow someone with courage, but today Christopher didn't have any! [Neil, 7/27]

These meetings were but two events in the organizational life of Karpenter Corporation—one major and one minor. They give a glimpse into the strategic decisions that top management struggled with at that time, decisions that undoubtedly contributed to the company's downfall. They show how the challenges of a changing marketplace rippled down from the top to team management. But is strategy in a challenging market the whole story behind that auction in the parking lot, the liquidation of this once-proud company just four years later?

No, and our research explains why. There is a deeper story to the success and failure of this organization, springing from its very heart—its people. These two noxious events—Jack Higgins's product review meeting and Christopher's cost-reduction meeting—were part of a drama that played out day after day in the final years of this organization, deeply affecting people and their work.

Well-meaning as we know they were, Karpenter's managers did not understand the power of what we call *inner work life*—the perceptions, emotions, and motivations that people experience as they react to and make sense of events in the workday. These managers did not understand how their own actions—even seemingly trivial ones—could have a potent effect on people working in the trenches of the organization. Because inner work life is mostly hidden and because human beings generally want to believe that all is well, Karpenter's managers had no idea how bad inner work life really was inside the company. They did not know how much workers' performance could suffer as a result. And they did not grasp how inner work life could affect the fate of the organization itself.

## The Hidden Bulk of the Organizational Iceberg

When a corporate icon like Karpenter Corporation dies during good economic times, it seems like the sinking of the *Titanic*. Yet no single cataclysmic event was responsible for Karpenter's downfall. No accounting scandal, no market collapse, no design flaw caused the disaster that had seemed impossible just a short time earlier. Analysts in the consumer products industry scrambled to find explanations, and they pointed to the usual suspects. Some blamed flawed product-market strategy, a turn away from true innovation to incremental changes to the existing cash cow products. Others claimed that the new wave of Karpenter executives, who had started about three years before the company began to falter noticeably, lacked expertise in dealing with the big-box retail customers on whom the company depended. Poor strategy and lack of expertise no doubt contributed. But some also blamed an unusual source: bad morale, which they said contributed to exceptionally high turnover among valuable middle managers and professionals as well as poor performance among those who stayed.

We know that these latter analysts were right, although we eschew the vague "bad morale" terminology. Our decade-long research on Karpenter and other companies reveals the power of workers' unspoken perceptions, emotions, and motivations, the three components of inner work life. In the short term, bad inner work life compromises individual performance; in the long term, bad inner work life can sink even a titan like Karpenter.[3]

Observable actions in an organization merely form the tip of the iceberg; inner work life is the enormous bulk that's hidden beneath the water's surface. When you walk the halls of your workplace, you might see and hear people giving presentations to managers, conferring with colleagues, doing Internet research, talking to customers, participating in meetings, or running experiments. That's *observable work life*, the visible part of what each individual does, what you could see by looking at everyone's daily activities. What you probably won't observe are the judgments about managerial indifference during the presentation, the feelings of triumph during the customer conversation, or the passionate motivation to crack a bedeviling problem in the experiment. Inner work life is the mostly invisible part of each individual's experience—the thoughts, feelings, and drives triggered by the events of the workday.

Each person has a private inner work life, but when people go through the same events at the same time, they often have extremely similar private experiences. Over days, weeks, and months, if the same sorts of events keep happening in a group or an organization, those similar experiences can combine to become a formidable force—even if each event, by itself, seems trivial. "The Power of Small Wins (and Losses)" reveals the surprising strength of apparently trivial events.[4]

At Karpenter, the quarterly product review meeting during which Domain team members attentively took notes while divisional executives changed all of the team's priorities comprised the visible tip of the organizational iceberg. The team meeting on cost reduction a month later, when many of those same workers stopped contributing ideas near the beginning and instead quietly listened as the team leader laid out his plan for gaming the system, was still just part of that tip. But the perceptions these people formed of their managers as over-controlling, ignorant, weak, or unethical? Their emotions of anger, sadness, and disgust? Their dwindling motivation to come to the office each day and work like the dickens? These made up the hulking, hidden bulk of the iceberg. Eventually, that mass was big enough and bad enough to sink the organizational ship.

Unfortunately, like Karpenter's top execs, most managers do not understand inner work life well enough to ensure clear sailing and avoid onrushing disaster. Many mishandle employee inner work life not because they are mean-spirited, but because they do not appreciate how deeply people care about it. In 1993, flight attendants for American Airlines went on strike to protest the company's policies. The issue was not really pay or benefits—it was lack of respect. "They treat us like we're disposable, a number," said one flight attendant. Another said, "My self-respect is more important than my job."[5] Four years later, things had not changed much. This time, it was the pilots who were protesting: "As long as you treat your employees as merely 'unit costs,' like the Styrofoam cups we throw out after every flight, morale will remain at rock bottom."[6] Companies are still making the same mistake. In fact, in 2010, a global survey found that employee engagement and morale declined more in that year than at any other time in the fifteen years of the survey.[7]

This book reveals the reality of inner work life and the effect it can have on the performance of your organization. You will see that managers at every level affect the inner work lives and, consequently, the creativity and productivity of people throughout the organization. Most importantly, you will learn how to support inner work life in a way that maintains both high performance and human dignity.

FOOD FOR THOUGHT

### The Power of Small Wins (and Losses)

Little things can mean a lot for inner work life. You can probably think of important events in the history of your own inner work life that might seem objectively trivial. Examples abound in the daily diaries we collected—reports of minor workday events that powerfully elevated or dampened feelings, thoughts, and motivation. There was the scientist who felt joyful after the top technical director took a few moments to discuss his latest experiment; the product manager who began to view her boss as incompetent when he waffled on a decision about pricing; the programmer whose engagement in the work leapt when he finally managed to defeat a pesky bug—a mighty *small win* in the grand scheme of things.[a]

In analyzing the diaries, we found that people's immediate emotional reactions to events often outstripped their *own assessments* of the event's objective importance. We found that, not surprisingly, most events (nearly two-thirds) were small, and most reactions (nearly two-thirds) were small. And, as you would expect, most reactions to big triggering events were big, and most reactions to small events were small. But here's the surprising part. *Over 28 percent of the small events triggered big reactions.*[b] In other words, even events that people thought were unimportant often had powerful effects on inner work life.

A growing body of research documents the power of small events.[c] A 2008 study found that small but regular events, including church attendance and physical exercise at a gym, can yield cumulative increases in happiness. In fact, the more frequently that study's participants went to

## What Is Inner Work Life?

*Inner work life* is the confluence of perceptions, emotions, and motivations that individuals experience as they react to and make sense of the events of their workday. Recall your own most recent day at the office. Choose one salient event and consider how you interpreted it, how it church or exercised, the happier they were.[d] Even though any one small event by itself might have a minor effect, that effect doesn't disappear as long as similar events keep on happening: a person who works out regularly feels a little happier each time he leaves the gym, and he stays happier than he was in his pre-gym days. Similarly, a product manager who repeatedly witnesses her boss's indecisiveness will have a darker view of him than she did before she joined his team. Small positive and negative events are tiny booster shots of psychological uppers and downers.[e]

In managing people, you really do have to sweat the small stuff.

[a] We borrow the phrase *small wins* from Karl Weick's classic paper "Small Wins: Redefining the Scale of Social Problems," *American Psychologist* 39 (1981): 40–49.

[b] You can find details on this study and all studies we report from our diary research program in the appendix.

[c] In general, scholars argue, little things really do matter a lot. In Karl Weick's seminal 1981 paper he argued that social problems could be tackled in more innovative ways if they could be approached successfully on a small scale initially. Suggesting that the enormous scale of most social problems causes paralyzing emotionality and overwhelms cognitive resources, he proposed that there are great advantages in the small wins that can be gained from breaking down such problems into manageable pieces.

[d] This paper reported studies of how "good" and "satisfied" people feel—their emotional state or sense of well-being (D. Mochon, M. I. Norton, and D. Ariely, "Getting Off the Hedonic Treadmill, One Step at a Time: The Impact of Regular Religious Practice and Exercise on Well-Being," *Journal of Economic Psychology* 29 [2008]: 632–642). Research has also shown effects of small events—astonishingly small events—on intrinsic motivation (internal motivation) and performance. (I. Senay, D. Albarracin, and K. Noguchi, "Motivating Goal-Directed Behavior Through Introspective Self-Talk: The Role of the Interrogative Form of Simple Future Tense," *Psychological Science* 21 [2010]: 499–504.)

[e] This drug analogy comes from D. Mochon, M. I. Norton, and D. Ariely, "Getting Off the Hedonic Treadmill, One Step at a Time."

made you feel, and how it affected your motivation. That was your inner work life at that time. Each word in this phrase reveals a key aspect of the phenomenon.

Inner work life is *inner* because it goes on inside each person. Although it is central to the person's experience of the workday, it is usually imperceptible to others. Indeed, it can go unexamined even by the individual experiencing it. But part of the reason that inner work life hides from view is that people *try* to hide it. Most organizations have unwritten rules against showing strong emotions or expressing strong opinions—especially if they are negative or contrary to prevailing views. And even if people are comfortable confiding in a peer, they are usually loath to reveal themselves to superiors. For example, even if your blood boils when the chairman of the board dismisses the careful analysis you have just presented, you will probably smile pleasantly as you inquire about additional data that might be helpful. Being "professional" means concealing your outrage.[8]

Inner work life is *work* because that is both where it arises—at the office—and what it is about—the tasks that people do. At some level, we are all aware that we have inner work lives, even if we spend little time focusing on them. Inner work life can be affected by events in our personal lives, but only when those triggers influence our perceptions, emotions, or motivations about the work. For instance, an argument with your spouse in the morning can dampen your spirits and your engagement in work later that same day. Conversely, your inner work life can spill over to influence your feelings outside of work—a bad day at the office can spoil the evening's barbeque with friends. But, spillover aside, inner work life refers fundamentally to workday reactions to on-the-job events.

Inner work life is *life* because it is an ongoing, inevitable part of the human experience at work every day. We continually react to everything that happens at work. We determine whether the work we are doing is important and how much effort to exert. We also make judgments about the people we work with, including our superiors. Are they competent or incompetent? Should we respect their decisions? Inner work life is *life* for another reason, as well: because we spend so much of our lives at work, and because most of us are so invested in the work we do, our feelings of success as individuals are tied to our day-to-day sense of ourselves at work. If we believe that our work is valuable and we are successful, then we feel good about this key part of our lives. If our work lacks value or if we feel we have failed at it, then our lives are greatly diminished.

## Perception, Emotion, and Motivation

Consider the inner work lives of Lucas, Lisa, Michael, and Bruce and their Domain teammates in Karpenter Corporation as they prepared for the quarterly product review meeting with Jack Higgins and the vice presidents of their division. Members of a cross-functional business team ostensibly managing their own product lines, they were proud of their headway on new products, especially the Spray Jet Mops. At the same time, although challenges loomed, they believed that they had effective plans for the ongoing business. Most of them had good inner work lives as the meeting approached. And the meeting seemed to start well, with the executives listening to the team's presentation about existing product lines and viewing prototypes (as well as progress charts) for the new products.

Before long, though, Lucas's inner work life took a blow, and so did that of his comrades. Jack Higgins made some general remarks about his conviction that the team needed to change direction, and then Dean Fisher unilaterally presented a list of new priorities. It became clear that these top managers had had no intention of allowing the Domain team the autonomy that it supposedly enjoyed. Although they may have betrayed little outwardly, Lucas and his teammates immediately tried to make sense of what was going on. Were they hearing correctly? The Spray Jet Mop program was to stop immediately? Were *all* of their new product development projects coming to a halt? Were they really supposed to revitalize a line of boring window squeegees that still had good sales?

This kind of sensemaking is a continuous part of people's inner work lives. When something unexpected or ambiguous happens, people will try to understand it and will draw conclusions about the work, their colleagues, and the organization based on that event. In this way, a single incident can continue to reverberate and impact people and their work long after the triggering event itself is over.

Some on the Domain team already saw Karpenter's top managers as ill-informed dictators; this meeting only strengthened that view. Newer employees promptly saw themselves as powerless subjects. They began to view the team's mission as incremental, not innovative. *Inner work life is about perceptions—favorable or unfavorable (and sometimes quite nuanced) impressions about managers, the organization, the team, the work, and even oneself.*

At the same moment, the team members—still controlling themselves outwardly—started reacting emotionally. Their reactions were immediate, reinforcing (and being reinforced by) their simultaneous negative perceptions. They were frustrated that their hard work had been negated by people who, in their view, knew so much less about the business than they did. They were discouraged that their autonomy was being stifled. They were sad to see a company known for innovation shrink away from creating new products. *Inner work life is about emotions—positive or negative—triggered by any event at work.*

Both their emotions and perceptions influenced the motivation of the people on the Domain team. They had been making real progress on the Spray Jet Mops, solving multiple design and cost problems, and their drive to complete the project had been high as they entered the review meeting. They believed that many of their other projects were feasible—and attractive, too. The sharply negative thoughts and emotions sparked by what management did in that meeting deflated the team's motivational balloon. In talking about this abrupt halt to the team's progress, Lisa employed terms of death; recall her lament that ". . . the Spray Jet Mops were killed. So, after several weeks of work on the project, it just dies . . ." *Inner work life is about motivation—the drive to do something, or not.*[9]

After that meeting, the Domain team dutifully halted all activity on the Spray Jet Mop program and the other terminated projects and focused on the new priorities. As it turned out, despite the team's efforts over a period of several weeks, the revitalization of the window squeegee program went poorly. From design to marketing, from pricing to packaging, performance was lackluster, missing any innovative spark. People on the team didn't need managers or customers to express disappointment; they were disappointed in themselves.

It was no coincidence that performance suffered on the Domain team after people's inner work lives took such a hit. Individual performance is closely tied to inner work life. If people do not perceive that they and their work are valued by a trustworthy organization, if they derive no pride or happiness from their work, they will have little drive to dig into a project. And without a strong drive to deeply engage the problems and opportunities of a project, people are unlikely to do their best work.

As they watched Karpenter's remains being auctioned off, Lucas, Bruce, Lisa, and their fellow Karpenteers remembered how unbearably difficult simple progress had become in the company's final years. To their minds, that daily suffering had been as needless as Karpenter's ultimate demise. But the company's managers never understood the dynamics of poor inner work life.

Because inner work life, which matters so much for performance, is mostly unobservable, even managers who understand it have a dilemma. What can you do about it when you can't even gauge it? The findings in this book, and their implications, are based on human psychology. But rest assured—supporting inner work life does not require you to hold a psychology degree or invade the privacy of your employees. On the other hand, it is not something you can outsource to the human resources department. Regardless of your job title or level, you can boost inner work life every day. It is as simple, and as difficult, as creating the conditions for people to succeed at important work, because few things can nurture inner work life as much as being successful.

This book will serve as your guide in the quest to gain the understanding that Karpenter's managers lacked. It will help you avoid Karpenter's fate but, more importantly, it will help you build a successful organization—one that people love working in, because they have the chance to accomplish something that matters every day.

Your journey begins with a brief tour of inner work life.

# 2

# The Dynamics of Inner Work Life

INNER WORK life is difficult to see, but our research captured it "in the wild." A simple but salient example came from Neil, the product engineer on Karpenter Corporation's Domain team introduced in chapter 1, when he described his annual performance review by the product development manager. Although Neil was generally calm and unflappable, everyone was a bit anxious during the late-spring "review season." To his great relief, the meeting went well:

> Paul, "the Boss," gave me my performance appraisal today. He was encouraging and highly complimentary. Paul is a breath of fresh air here at Karpenter, when it comes to management. I feel truly motivated by him and I am even more willing to help him and our team succeed. [Neil, 6/15]

This example is one of only a handful of the 12,000 diary entries that explicitly mentioned all three inner work life components—emotions, perceptions, and motivation. Neil *felt* encouraged; he *thought* well of Paul, and he was *driven* to help Paul and the team succeed. Most likely, Paul had only an inkling—at best—of what was going on with Neil's inner work life during the performance review. He might have seen a smile and gotten some words of thanks from Neil, and concluded correctly that Neil felt good. But he probably had no idea that Neil held him in such high esteem relative to other managers, nor that his words had been such a powerfully positive motivating force.

Because managers' actions generally had negative effects on inner work life at Karpenter, Paul was something of a rarity; he triggered *positive* inner work life, at least for Neil. Although Karpenter was, by nearly any measure, the worst company in our study, most participants from this organization did experience days of good inner work life. In the context of the other Karpenter stories we've presented, Neil's diary shows just a bit of the complexity of inner work life and the many forces that influence it.

Neil's diary entry reveals another important point: *inner work life is not the same as personality*. Recall that, in the Domain team meeting on cost reduction described in chapter 1, Neil had felt demotivated by what he saw as Christopher's cowardly team leadership—aborting idea generation and trying instead to make the team's numbers look good. This was the same Neil. Neil was not *always* motivated or unmotivated, not *always* happy or unhappy.

Conventional wisdom holds that, at work as in life, there are happy people and unhappy people; that's just the way they are, and there isn't much that will change them short of life-altering events. In fact, research has shown that pleasant or unpleasant temperament does remain relatively stable over time, and certain aspects of motivation are stable, too.[1] But the big news from our research is that most people's inner work lives shift a great deal over time as a function of the events they experience—*not* as a function of their personalities. Unwelcome events will trigger down days even for people who are basically upbeat. Nearly everyone in our study had days when inner work life soared and days when it plummeted. Such changes can happen quickly.

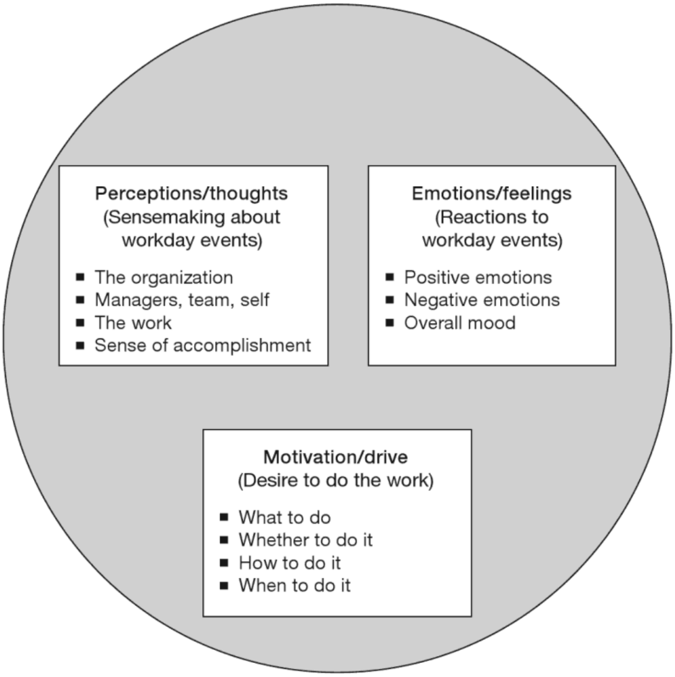
Conversely, different people can react differently to the same event, but only part of that difference can be explained by their personalities. In fact, we discovered that personality isn't the major determinant of inner work life responses to events.[2] Rather, the interpretation of the event is critical—how people make sense of it in the context of their individual positions, work, plans, history, and expectations. Because Neil and many of his teammates had similar expectations, plans, and positions going into Christopher's cost-reduction meeting, they had similarly negative inner work lives coming out of it.

## The Three Components of Inner Work Life

To explore inner work life more fully, we'll take a closer look at each of its three components, which are depicted in figure 2-1. Notice that our conception of inner work life does *not* include all psychological processes that a person could experience during the workday. We focus on the three major processes that, according to psychological research, influence performance: *perceptions* (also called *thoughts* or *cognitions*), *emotions* (or

**FIGURE 2-1**

**The components of inner work life**


Perceptions/thoughts
(Sensemaking about workday events)
■ The organization
■ Managers, team, self
■ The work
■ Sense of accomplishment
Emotions/feelings
(Reactions to workday events)
■ Positive emotions
■ Negative emotions
■ Overall mood
Motivation/drive
(Desire to do the work)
■ What to do
■ Whether to do it
■ How to do it
■ When to do it

*feelings*), and *motivation* (or *drive*).[3] These are far and away the major internal processes that our participants described in their diary narratives, aside from the basic work they did that day and their specific "event of the day." Although inner work life includes a broad range of mental activities, we will not discuss all of them in this book. For example, although daydreaming undoubtedly contributes to creativity, we leave it out of the discussion because virtually none of the 12,000 diaries mentioned it.

Many diaries recorded emotions, however. That's where we'll start.

## *Emotions*

Emotions are both sharply defined reactions and more general feelings, like good and bad moods.[4] Emotion is the joy you feel when you finally solve a difficult problem; the frustration when your solutions fail; the disappointment when the board rejects your strategic plan; the pride when a fellow manager recognizes your creativity at a company meeting; the gratitude when an assistant helps you find critical information; and the anger when you discover that your subordinates have missed a milestone because another team failed to do its work. Emotion is also the overall positive mood you feel when everything seems to be going well on a particular day, or the negative mood when a day starts with a setback and goes downhill from there.

Emotions vary along two key dimensions: degree of pleasantness and degree of intensity.[5] You can be mildly annoyed by a brief outage of the corporate intranet or enraged by a flippant response to a new idea you floated in a management meeting. Both are unpleasant emotions, but the latter is much more unpleasant *and* much more intense.

Lucas, the Domain team's finance manager, often expressed emotion, disproving the jokey stereotype that all people who work with numbers are emotionless automatons. When the Domain team saw unexpectedly good sales one month, Lucas expressed his feelings this way:

> I received our gross margin report for April, which showed sales for our team up 3% over objective and up 11% over prior year. It was a *pleasant surprise* to learn that our April results were an

> improvement over objective and prior year. It showed that our hard work over the last few months, in trying to get additional sales or new accounts, has paid off. [Lucas, 5/18] *[emphasis added]*

As pleased as Lucas was by his teammates on this occasion, two months later, he was terribly frustrated by two of them as he strained to meet a tight deadline:

> Our team had scheduled a morning session to review the Quarterly [Report] package. I had put together the financial piece, but Michael and Christopher had not completed anything for the text portion of the package. I was *frustrated,* since I had worked hard over the last 2 days to put together the financial piece. [Lucas, 7/20] *[emphasis added]*

Lucas was not an outlier. Nearly all of our 238 research participants expressed emotion in at least some of their diary narratives—*even though we never told them to do so*. The question on the diary form asked them only to "Briefly describe one event from today that stands out in your mind," not to say how they reacted to the event. Yet over 80 percent of the diary entries did express feeling in some way, either through words or punctuation. (We saw plenty of "!!!" and "???" as well as a few "*!$@*#!.") This is part of the reality of inner work life: you can't turn off the emotions. Even though many managers—and employees—would like to ignore emotions, pretending that such "messy" things do not belong in the workplace, such studied ignorance is a dangerous gamble.

Recently, much of the management literature has highlighted the long-neglected role of emotions at work. Most savvy managers have read about the need for emotional intelligence—an understanding of one's own and others' emotions and an ability to use that understanding to guide managerial thought and action.[6] Recent research has also revealed that emotions can have both positive and negative effects on a range of work behaviors, including creativity, decision making, and negotiations.[7] For instance, positive feelings can lead to greater flexibility in problem solving and negotiations. Clearly, emotions are crucial.

But beware. It's tempting to classify the entire inner work life phenomenon as "feelings," partly because emotion has become such a hot topic in management. Moreover, emotions are what you're most likely to see when inner work life does come to the surface. Recall the bereft expressions on the faces of Lehman Brothers employees as they left their building that day in September 2008 when the firm filed for bankruptcy. And when, in 2010, the 3-D film *Avatar* broke all box-office records, it was easy to imagine the elation rippling through everyone at 20th Century Fox.

However, inner work life is *not* simply about emotions. Emotions are only one piece of the puzzle, and managers who rely on emotional intelligence to build high-performance organizations are dealing with only a fraction of the inner work life picture. Our theory of inner work life builds on theories of emotional intelligence by placing emotion in the context of two additional components: perception and motivation. Both, like emotions, are essential.

### *Perceptions*

Perceptions can range from immediate impressions to fully developed theories about what is happening and what it means. They can be simple observations about a workday event, or they can be judgments about the organization, its people, and the work itself. When something happens that grabs your attention at work, you start *sensemaking*—trying to figure out what it means. Your mind poses a series of questions, especially if what happened was ambiguous or unexpected; these questions and their answers make up your perceptions.[8] Interestingly, you are usually unaware of this process. These questions might bubble up unconsciously if upper management canceled your team's project without warning or explanation: Do these managers know what they are doing? Are my teammates incompetent? Am I? Does the work that I do have real value?

Bruce, the Domain team's senior product engineer, found himself in this situation in the aftermath of the June 30 product review meeting. When he wrote that putting the Spray Jet Mop program on hold was tantamount to canceling it, he noted, with some bitter irony, that "It would be nice if we could go back to being the leader in product innovation and not the follower." He perceived the project as a lost cause, his efforts as wasted, and the company as a fallen giant. Why was Bruce so sure that the program was dead? Why did he suspect the company could no longer lead the industry in innovation?

In films and plays, characters are given a *backstory* to help the actor understand how to play the part—for example, Scarlett O'Hara's pampered, restrictive childhood in the antebellum South of *Gone with the Wind* or Luke Skywalker's innocent upbringing on his uncle's farm in the *Star Wars* films. The backstory is the character's accumulated experience in a particular milieu over a particular period of time. We borrow the term because it helps illustrate how the perception component of inner work life operates. Real people have real backstories at work, and they form perceptions against those backstories.

There was a long backstory to Bruce's perceptions when he heard that the Spray Jet Mop program was off his team's priority list. After nearly twenty years at the company, he knew that something had changed dramatically after the new management regime took over. He had watched their pattern of decisions. He knew that Jack Higgins and his corporate boss, COO Barry Thomas, had seemed skittish about developing radically new products. Bruce compared their style, unfavorably, with the relentless innovative spirit of prior generations of top Karpenter management, who had driven the company to the pinnacle where the rest of the world still held it. Against this backstory, as he interpreted what happened to his favorite project in the product review meeting, Bruce drew his decidedly pessimistic conclusions.

Each of us interprets each workday event against our own backstories in our organizations.

## *Motivation*

Motivation is a person's grasp of what needs to be done and his or her drive to do it at any given moment. More precisely, motivation is a combination of a person's choice to do some task, desire to expend effort at doing it, and drive to persist with that effort.[9] Many possible sources of motivation exist, but three stand out as most relevant to work life.[10] First, *extrinsic* motivation drives most of us in our work to some degree—the motivation to do something in order to get something else. This is your motivation to take a position because the pay and benefits can't be beat; to work fourteen-hour days all week just to meet a deadline that you consider arbitrary; to do whatever it takes to win an industry award; or to produce a position paper that you know will look good for your performance review. Lucas's two days of hard work on the financial piece had probably been extrinsically motivated by the tight deadline.

*Intrinsic* motivation is the love of the work itself—doing the work because it is interesting, enjoyable, satisfying, engaging, or personally challenging. Intrinsic motivation—deep *engagement* in the work—can drive people to surprising displays of seemingly unrewarded effort. Witness the phenomenon of open-source programming innovation, in which thousands of programmers collaborate online to create and improve computing platforms—with absolutely no tangible compensation.[11]

The stifling organizational atmosphere in which the Domain team was living at the time we studied them snuffed out intrinsic motivation at every turn. But, even in that atmosphere, some intrinsic motivation survived. Alvin was a forty-seven-year-old senior product engineer who had come to Karpenter right out of high school. Hardworking and determined, he had earned his college degree while learning product development hands-on at the company. He had idolized his mentors, and beamed with pride while naming the famous products he had helped invent. On a particularly frustrating day in May, a Domain product manager had asked him to resize a prototype for the third time in an effort to further reduce raw material costs. Alvin knew the exercise was useless because the product simply wouldn't work if it were any smaller. Yet even in the face of this, one more in a series of obstacles to creating the product, he retained his intrinsic motivation:

> We have more roadblocks put in our way, and more redundant work, than you can imagine. Oh well—fortunately, I love product development. [Alvin, 5/26]

Finally, *relational* or *altruistic* motivation arises from the need to connect with and help other people.[12] The camaraderie that comes from collaborating with congenial colleagues can drive us in our work, and so can the belief that our work has real value to a person, a group, or society at large. Altruistic motivation can be fairly general ("My work helps people with Type 1 diabetes") or quite specific ("My research could lead to a treatment for my diabetic child"). Usually, the reason behind relational motivation isn't nearly as compelling as treating disease—but even less dramatic reasons can be forceful ("My collaboration helps this struggling junior designer"). Many people are driven to do well for a person or a group they like and respect. This was the case for Neil when, after Paul complimented his progress in the performance review, he wrote, "I feel truly motivated by [Paul] and I am even more willing to help him and our team succeed."

The different forms of motivation can coexist in the same person, at the same time, for the same work. In fact, nearly all intrinsically motivated tasks on the job have some extrinsic motivators attached. For example, you can be intrinsically motivated by the challenge of creating a marketing strategy for a new service, while still driven by next week's deadline for presenting the strategy to the board—an extrinsic motivator.

Unfortunately, there is a nasty underside to extrinsic motivation, one that many managers don't recognize: if extrinsic motivators are extremely strong and salient, they can undermine intrinsic motivation; when this happens, creativity can suffer.[13] Let's say that the CEO reminds you of that marketing strategy deadline twice a day. Now overwhelmed by the sense that you are working primarily to make the timeline, you can lose the excitement of creating something great. You may begin to focus narrowly on just getting the job done, rather than exploring for a truly novel "killer" strategy.

Most people have strong intrinsic motivation to do their work, at least early in their careers. That motivation exists, and continues, until something gets in the way. This has a startling implication: as long as the work is meaningful, managers do not have to spend time coming up with ways to motivate people to do that work. They are much better served by removing barriers to progress, helping people experience the intrinsic satisfaction that derives from accomplishment.[14]

Because intrinsic motivation is essential for people to do their most creative work, we focused our attention on intrinsic motivation in the diary research.

## The Inner Work Life System

Inner work life is not a fixed state. It is the dynamic interplay among a person's perceptions, emotions, and motivation at any point during the workday. Because the three elements influence each other to create an overall subjective experience, this means that inner work life is a *system*, a set of interdependent components that interact over time.

### *The Dynamics of Inner Work Life*

As an example of a much simpler system, consider a car's air conditioning. Fundamentally, the system consists of four main elements: the thermostat; the compressor that converts hot, humid air into cool, dry air; the fan that blows air from the compressor into the car; and the air in the car. A key aspect of any system is that you can't explain what is going on by looking at just one or two elements. The thermostat continuously reacts to changes in temperature caused by the fan and compressor; the compressor needs a signal from the thermostat; the fan can't deliver cool, dry air unless the compressor functions well; and proper car temperature requires all of these elements working harmoniously.

You can understand the air-conditioning system as a whole once you identify its elements and their dynamic interactions. Similarly, inner work life is a system that can be understood by looking at every element within the context of the whole. If the CEO pops his head inside your office door for the second time today to ask how you're coming along on the marketing strategy for next Monday's board meeting, you can't compartmentalize your frustration or your deflated intrinsic motivation any more easily than you can separate either from your perceptions of

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