

Key Drivers of Human Behavior*

Compensation: Most people have to work to make a living; the hard currency they bring home is of utmost importance – it literally does put food on the table. People are happiest and most motivated when they feel their efforts are justly rewarded. Conversely, people resent being underpaid. The resentment will affect their motivation, morale, demeanor and longevity in the workplace.

Compensation stability is a matter of black letter in case law, not to mention the revised codes of legislative bodies. Most people rely on the predictability of their paychecks to make important life decisions such as having a baby or borrowing to buy a house, car, or boat. Setting money aside in children's college funds and committing funds to retirement savings accounts also require predictable income.

Money is not the only "compensation" work generates: most people are strongly attracted to work that is satisfying and meaningful, using their energies, skills and talents to their highest and best purpose. "Good work" enhances life.

Work in distressed companies is typically less than "good work"; employers who cause "paycheck anxiety" break trust with their employees. Once this fundamental trust is broken, loyalties erode; staff are less willing to "go the extra mile" in hard times. Employees with valuable talent and institutional knowledge are likely to be most disappointed, offended, or resentful; the company is at risk for losing momentum and market-share if their best people choose to leave.

If paychecks are consistently late, incorrect, or employees believe they have been shortchanged, not only will you lose their services, you may have regulatory agencies investigating their complaints to add to your already long list of turnaround problems.

Upward Mobility, Sense of Personal Direction and Satisfaction: Very few people see any point in a job with no future: most desire to advance in their careers. They take great pride in moving up in the ranks, earning a greater share of

responsibility in the firm, gaining increasing respect among their peers, and reaping the financial rewards and personal satisfaction of advancement.

When that sense of direction or upward trajectory is in danger or completely disappearing, personal motivation will waiver as concern about future prospects grows dim, the rewards you have led to reasonably expect won't be forthcoming.

The glass ceiling is a major culprit in this category of human need. Imagine the frustration of working hard, often for years – proving your self every step of the way – only to be blocked by some invisible barrier. The barrier is not physically visible and cannot be touched, but over time, it's clear that it exists and isn't going away. The longer the barriers to satisfaction last, the more likely employees will finally “have enough” and leave.

Troubled firms will also be in desperate need of leaders, both in the short-term and long-term. In the short-term, there will be a need for leaders at all levels who can rally people to a cause while all hell seems to be breaking loose around them. In the longer-term, once you've developed traction and some positive momentum, you will need leaders at all levels to support and sustain the firm's growth.

Failure to develop individuals, or to promote them to leadership roles when they are ready, is a recipe for disaster.

Clarity, Sense of Business Direction: Basic belief that their jobs are “safe” in the near term, and the firm's longer-term prospects are positive is necessary to good performance; ambitious, competent job candidates typically apply only to financially sound companies strategically placed for increasing market share.

Clearly, part of management's job – individually and collectively – is to share enough strategic thinking to satisfy employees that the corporate vision is clearly defined. If management does not satisfy this “(emotional) need/right to know”, people will be inclined to explore external opportunities, further distracting them from their work.

Fun: People are much more likely to remain committed to an institution and continue to perform well when one very simple condition is met – they are having fun!

An enjoyable, stimulating environment is often at the top of an employee's list of job criteria; she may give up some financial compensation or upward mobility to maintain it.

Take away that fun, and the changes are sudden and dramatic. Why would anyone elect to give ground on compensation and mobility, if the job isn't going to be fun anymore? The answer is simple" the smart ones won't stick around. When was the last time you heard "It just wasn't fun anymore!" as the impetus for leaving a position?

Personal Dignity and Respect: It's possible to be well paid, clear about the firm and its plans, and still feel victimized. If a firm treats a person as if his presence and contributions are unworthy, he is likely to be offended and consider leaving. Yes, immediate practical considerations or the lure of money may induce a person to stay for a time; eventually, the need for respect and appreciation will prevail.

One stereotypical workplace infamous for significant pecuniary benefits but an abusive environment is Wall Street. Wave after wave of young and ambitious university graduates feed into the Wall Street machine, where they spend as many years as they can stand working horribly long hours, subjected to a hostile and, at times, a racist and sexist atmosphere. The average tenure in years may be counted on the fingers of just one hand. The money is seductive and keeps them enthralled **until** their personal maturity helps them realize their dignity is worth more than the paycheck beguiling them to stay in an emotionally (and sometimes physically) unhealthy setting.

Sense of Control: Numerous studies show that all humans have an inherent need for a sense of control; some have an extremely limited ability to tolerate ambiguity. Indecision, agitation, frustration, tension and anxiety are common among people

who have little or no say in what work they do, or when, where, how, or with whom they must share the work environment.

Individuals who believe they have only responsibility and no authority, or have no autonomy in even small tasks can become very “high maintenance” employees, exhibiting traits in common with people victimized in other settings. Crime victims, for example, are distinguished by their resentful, fearful response to being helpless. Even if not physically or financially harmed, a victim’s emotional outrage stems from having their control forcibly taken, leaving them defenseless, at another’s mercy.

When events spiral out of control, it’s natural to wonder what will happen next, and to try to gain some understanding and sense of certainty. When even a small certainty proves elusive, the sense of helplessness – and outrage, depression, or shame associated with it – deepens. Eventually, deciding the only solution is to get away from the maddening setting where he is subjected to the whims of fate (or, more likely, bad management) is actually a sign of emotional intelligence: a person who allows himself to be abused lacks self-respect and self-confidence. The longer people believe they are mistreated, the greater their frustration and desperation to regain some control. If those efforts are not successful, they are far more likely to exercise their last options – to walk out the door and never look back. If the frustration and shame result from abusive management practices that violate the law, you may find yourself defending lawsuits and paying penalties long after an employee’s departure.

Predicting how a given individual will react to the dysfunction around him is difficult. Some people may be willing to give up one or more of these elemental Drivers as a short-term sacrifice; but in the long-term, their fundamental yearning for fair compensation, direction or certainty, fun, dignity and control will overwhelm even the most dedicated employees. Sometimes people do compromise, usually from necessity. Fun and compensation are the most commonly surrendered, not because they are unimportant, but more because people come to believe that expecting anything better in the dysfunctional situation is unreasonable. Each person has his own emotional “pain threshold”; once it is crossed, he’ll begin to perform poorly and/or eventually decide to escape.

*Pre-publication copy – **LEVERAGING PEOPLE FOR A CORPORATE TURNAROUND:**
Leadership and Management Guidance for Organizational Change by **Yuval Bar-Or,**
Ph.D. pages 14 through 19.