

The Next Ideas

by Loren Gary

Rethinking Money and Motivation

Ever heard the advice “Do what you love, and the money will follow?” The idea here is that concerns about money only confuse the search for what’s intrinsically motivating. For at least the past half-century, leading management thinkers have supported such an understanding. Today, however, with money so central to all aspects of contemporary life, some are beginning to believe that candid conversations about money might clarify rather than cloud workers’ search for their most deep-seated interests.

Giving compensation a more prominent place in discussions between managers and employees might seem to fly in the face of conventional wisdom. As Frederick Herzberg notes in his famous 1968 *Harvard Business Review* article, “One More Time: How Do You Motivate Employees?” money, perks, workplace conditions, and company policy and administration are all “hygiene factors”—extrinsic to the job itself. They aren’t enough to generate employee commitment. For sustained performance improvement, Herzberg argues, only intrinsic motivators such as job enrichment, which responds to employees’ abiding need for growth and achievement by making their work more challenging and interesting, will do the trick.

As American society has become more affluent, however, say many social critics and executive coaches, people seem to be working more than ever—but having increasing difficulty finding meaning and purpose

in their lives. In previous generations, people had “lots of different sources of meaning and affirmation, including the neighborhood, civic activities, and religious organizations,” says Rochester, N.Y.–based executive coach Pamela York Klainer. “Now, aside from raising their families, they mostly just work.” So the workplace has become the primary arena in which people search for meaning. And the accumulation of money “has become the most tangible indicator that we’re making progress in this search,” she says.

“People have this unexamined belief that their income will always go up and that the company is disrespecting them if it doesn’t give them an annual increase,” says Klainer, author of *How Much Is Enough?* (Basic Books, 2001). To help dispel this notion, managers can educate employees in a few basic principles of business finance, thereby removing much of the psychodrama from salary discussions and instead turning them into “rational conversations about the constraints on what the company can do for an employee given its financial performance in a particular year,” she says.

For example, make sure direct reports understand the difference between the company’s revenues and its profitability. Explain the way that markets define worth (as a combination of pricing and brand value). Show them how their work contributes to the company’s bottom line. Out of this business literacy grows the understanding that the money

may not always follow when we do what we love—we must often make tradeoffs between the two.

This realization can restore to us a sense of the limits of what money can provide, writes San Francisco State University philosophy professor Jacob Needleman in *Money and the Meaning of Life* (Doubleday/Currency, 1991). In a money-sodden culture, he says, “people easily confuse their fundamental material needs”—the striving to secure the food, clothing, shelter, and safety we need to survive—“with the equally fundamental spiritual needs for a sense of meaning and purpose in our lives.” They have trouble distinguishing their intrinsic love for a certain kind of work from their desire to have all the comforts and protection that money can buy.

Paradoxically, it’s only by paying more attention to money—especially the fears and self-deceptions that it occasions in our lives—that we can begin to recover an understanding of the differences between these two basic human needs. Taking money more seriously helps us move beyond our preoccupation with it, says Needleman. Only then can we see all the possibilities for achievement, meaning, and connection that exist beyond the quest for survival.

An unflinching look at our attitudes and beliefs about money can help us identify our intrinsic motivations and lead us to a richer understanding of the deep-seated sources of interest and fulfillment that money can never satisfy. ♦

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