While, as the saying goes, we are all equal in the eyes of God, this is not necessarily the case in the business world. We pay people differently, reflecting differences in perceived worth and, though we endeavour to provide opportunity to all, in a meritocracy our goal is to encourage the best to prosper.'

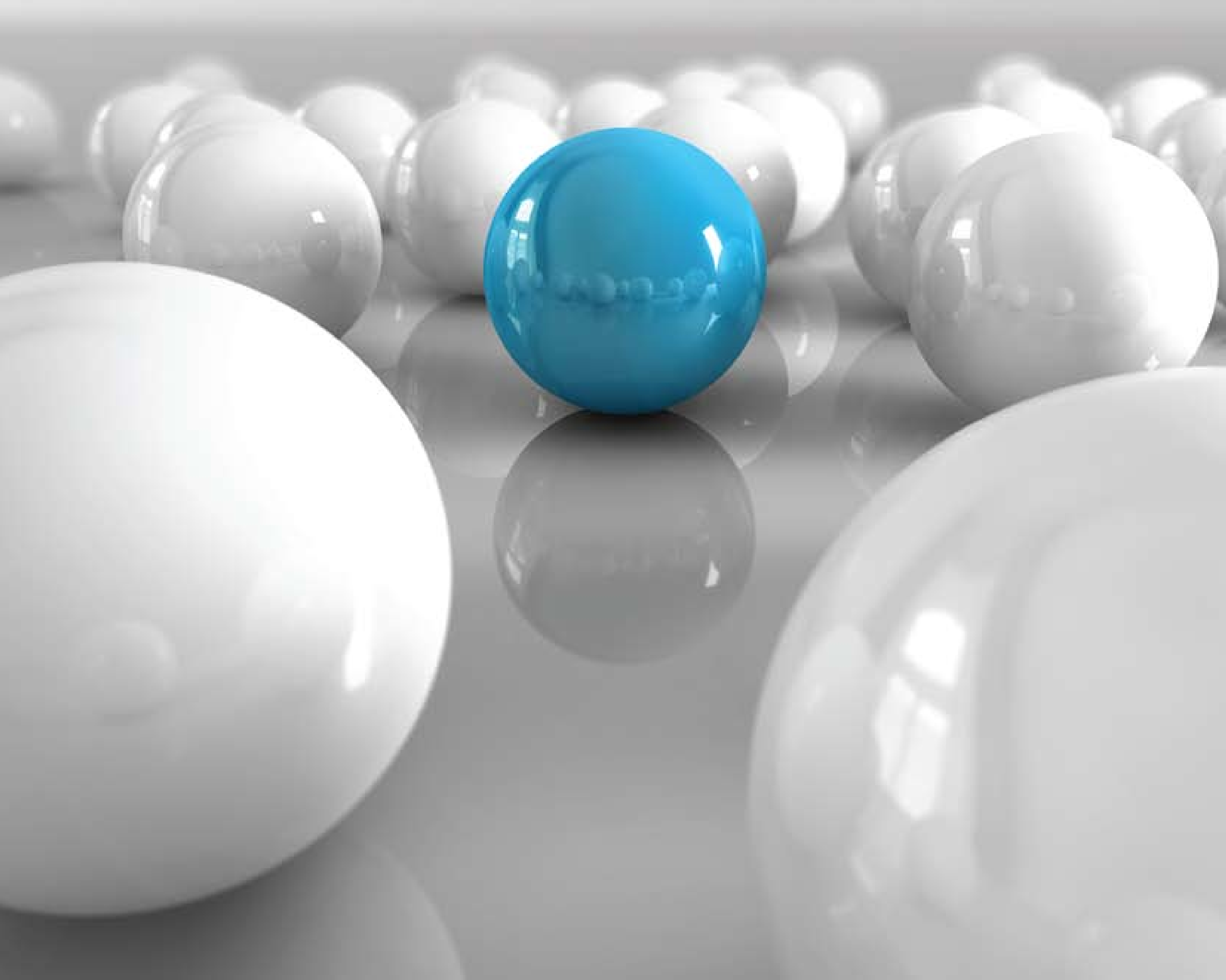
With progression based on merit and dependent on the successful navigation of selection processes one might expect genuine homogeneity in levels of performance. Yet data and everyday experience suggest there can be enormous differences in performance between people in the same job. Performance management systems are the organisational device that should ensure the business ultimately promotes and benefits from the most talented; at least that's the principle.

There is however a frustrating passivity about relying on such systems, and their effectiveness often becomes diminished by other organisational dynamics. Can we in fact identify why some people substantially out-perform their colleagues? Can we predict who will turn out to be a superior performer for any given job? Farrell and Jackson say yes, but not by using the methods commonly found in organisations today. '360 degree appraisals, psychometric testing and the like are simply not sufficiently reliable predictors of outcomes. Bringing a more proactive and scientific approach to the investment decisions around people is the core focus of our work in Burnham Rosen Group', says Farrell.

Lorie Farrell, with a career in senior finance roles and a solid grounding in the field of motivational psychology, sees the

Lorie Farrell and Rob Jackson explain to *Excellence in Leadership* how empirical behavioural and psychological research make it possible to precisely identify and predict the unconscious motives that influence the actions of the best leaders.

Spot the difference



relevance for human capital management. 'There is a remarkable opportunity to take the guess work out of some of the big decisions we have to make when planning changes within our workforce,' she says. 'We often don't really understand which roles in our businesses drive organisational performance. Even if we did, few organisations invest the energy to find out for sure how their best performers achieve what they achieve.'

Rob Jackson, a lead practitioner for Burnham Rosen, adds: 'Many businesses use behavioural competence frameworks, skills profiles or personality assessments to support an analysis of their human capital, at either individual or team level. The consensus of opinion among development specialists is that these tools are not enough in themselves to answer the question about what differentiates top performers. They tell us what good looks like but they tell us remarkably little about how to transform good into exceptional.

'The chances are your organisation already tackles poor performance. Unless you have been robust in your analysis, the chances are too that your model of 'desired' performance and behaviours is most likely a reflection of the merely average to good. Talent management programmes built on this basis only reinforce norms. They are not going to be transformational and may add little if anything to your human capital.'

Farrell takes up the point. 'Taking a more empirical approach can help avoid this trap. Even our basic assumptions about our business are rarely tested. For example, many managers make the underlying assumption that the more senior the role the more central it is to driving value. But this is a huge assumption,' she remarks.

'We've researched different roles in organisations and this assumption is simply not fact. A role of regional manager in a retail business may well be needed, but is it a value-driving role? In one study we did the answer was no. Careful analysis of the performance of the business showed that the calibre of the post-holder in these roles was irrelevant for results, as long as they were not a poor performer. Since this business was tough on poor performers this problem did not arise. Yet the assumption the organisation had made was that this role was central to the goals of growing market share. They were gearing up to invest heavily in this role.'

'Understanding your human capital is about more than understanding the collective capability and commitment of the people working in the organisation. Understanding the value-add potential of roles underpins any meaningful analysis of human capital.'

Of course this opens up the question of the basis of assessing performance. 'A subject for another time perhaps,' suggests Farrell. 'It's a fascinating field though. It's remarkable how poorly businesses do this. Our work is very research based. As busy managers we can be seduced by the rational and we are often too busy to take an empirical approach.'

'For example, take fighter pilots in one national air force we've studied. Top guns were rated as such because they scored the best in deploying ordnance accurately. But the margin between the best and the majority was tiny. It is enough to differentiate performance, but of little practical relevance in the real world. Yet the future deployment of newly qualified pilots is driven by their performance against such measures.

'The trouble is the motivational attribute that drove this superior performance in war games is associated with low boredom thresholds. Unfortunately the standard practice was to assign top guns to a particular tour of duty that carried little new challenge. So the attrition rate in this cohort was enormous (98%) and represented a huge waste of resources. It begs the question as to whether this organisation

'Understanding the value-add potential of roles underpins any meaningful analysis of human capital.'

Human motivation, the historical context

Curiosity about human motivation has driven psychological enquiry since the birth of this science. In the late 19th century Sigmund Freud along with other prominent figures such as Carl Jung and Josef Breuer first began to explore the impact of the unconscious on behaviour. These so called 'drive theorists' were highly influential but their ideas were not without controversy.

In the 1930s Henry Murray, the first chair of the newly formed psychology department at Harvard University, identified some 300 drives, recurring patterns of thought. He hypothesised that these thoughts, what he termed 'motives', drive our behaviour. Sometimes we have conscious awareness of these thoughts, like when we feel hungry, and sometimes we don't.

By the middle of the 20th century a new perspective emerged that challenged the assertion that unconscious motives and drives are fundamental to understanding why people do what they do. Psychologists such as BF Skinner and Ivan Pavlov demonstrated how environmental factors, such as rewards and punishments, 'condition' behaviour. This 'behaviourist' school emphasised the role of environment in determining behaviour.

The very well known psychologist Abraham Maslow took a behaviourist approach to Murray's list of motives. He suggested our motives were ordered in a hierarchy. If the environment met the needs of a lower-order motive (e.g. hunger) energy would be released to higher level motives (e.g. achievement). As such Maslow's theory put the emphasis on the environment as the dominant factor in motivation. David C McClelland, at the time a student of Maslow, set out to empirically test this idea.

Remarkably, McClelland's research disproved Maslow's theory (not that this has stopped the theory being taught in management education around the world). Subsequently, a completely new approach to understanding human behaviour emerged. McClelland's work endorsed the basic assertion of drive theory, that human motivation has a significant unconscious component. But motivation is more complex than Freud suggested.

In the last 60 years McClelland and co-workers such as David Burnham have gone on to demonstrate how motives and the environment interact together in many aspects of our lives. Understanding these interactions has opened up a unique approach to development and change for people.

was really valuing the right thing. This work had led to a rethink on how best to manage this most expensive example of human capital.'

Leading by example

'Understanding and leveraging human capital starts with understanding how important specific roles are to the business,' Jackson says. 'You can only do this properly if you figure out the real success criteria for a role. The question then of course is 'what enables some people in any given role to accomplish so much more than their colleagues?' This is no trivial question but it is one that can be answered.

'Take 'leadership' for example. What makes a great leader in your organisation? The not uncommon approach to answering this question is to ask the senior executive. Of course there is a political element to such an approach. But there is also the implicit assumption that senior executives, by being examples of success, embody the essence of superior performance. Even if this were consistently true, most psychologists would question whether people's attributions of their success are bias free.

'With perhaps the exception of people suffering from depression most people are hard-wired to attribute successful events in life to inner traits and characteristics. 'I've always had a stubborn streak. I wouldn't let it go and eventually we came out on top!' Whereas we bias our thinking about negative outcomes towards the influence of external factors. 'The collapse in the market for our product was overwhelming. No one could have turned that round.'

'Add in the whole question of values and social desirability (who really wants to be an introvert?) and it's clear that accepting at face value people's explanations of how they do what they do is a less than reliable research method.'

Jackson adds: 'This goes some way to explaining why it can be very difficult to identify at a behaviours level what truly differentiates, that is, what behaviours are common across high performers in a role and not present in average to good performers.'

What does seem to matter, what really transforms the science of human motivation, is to study the unconscious. We're not talking about deep mystical or Freudian drives, but patterns of thought called 'motives'. We have low awareness of these patterns of thought, but they are there, playing away

Application of motive theory to retail banking

There are few roles where there is a closer link between individual contribution and revenue than wealth management. For this large retail bank the data was clear. Market analysis and modelling meant sales targets can be set accurately against opportunity. So the performance of wealth managers could be compared reliably.

This comparison showed very real differences in performance between managers. No other mitigating factors were involved. Simply, some wealth managers were better, much better than others. Burnham Rosen Group set out to work with this client to find out why.

A cohort of truly excellent performers was identified. These managers significantly exceeded the average levels of sales, month in month out over the last three years.

Motive profiling revealed a very different picture between these high performers and others. These managers thought about their work in a way that was very similar to each other and very different from average performers. Yet they had all been subject to the same technical and behavioural training regimes. Where they differed was at the motive level.

Armed with this insight a motive-based training programme was designed. The training group were selected from poor performers. These managers had all performed at 10% or more below the national average for this role, for more than two years.

The organisation's own sales data demonstrated that the performance of these managers increased to near the national average almost immediately and then over subsequent months exceeded the national norms. These managers were followed up for over 12 months and the improvement in performance was sustained.

'Though it's an uncomfortable observation, research suggests many conscious explanations of our actions are actually retrospective justifications.'

in the background of our mind. This is a field of human motivation that only a few organisations have come close to exploiting. There's an enormous body of academic research in this field, much of it originating from Cambridge University in the UK and Harvard in the US. Some 64 million people have participated in one way or another into research into motives. This work opens the door to a true scientific approach to explaining why some people are consistently high performers in a given role.

To propose that what we think about drives our behaviour and therefore influences the outcomes we achieve sounds like a statement of the obvious. "We need to grow market share, therefore we must become more competitive on price," might be our train of thought. We obviously have conscious analytical capabilities, we can set a goal and then work backwards to what we need to do. What needs to be added to this analysis is an awareness of the influence of our motives.

Critically, motives work differently from conscious goal setting. Motives drive actions which result in outcomes, outside of our awareness. So depending on our motive profile, we unknowingly interpret life and work goals through a particular lens. Though it's an uncomfortable observation, research suggests many conscious explanations of our actions are actually retrospective justifications.

'It can be difficult to conceptualise motives,' points out Farrell. 'One needs to experience the process of discovering one's own motivational profile to truly grasp the significance and power of this knowledge. Their importance is without question though. We've studied leaders in large organisations across the world, different industries, sectors, nationalities, and we find that a very high proportion of the most successful have the same motive pattern. But different roles require different motive profiles for success. Take small business entrepreneurs. The very best, those that significantly out perform their peers for five years or more, have the same motive profile as each other, but different from the most successful leaders in large organisations.

'A typical study would bring all these components together: determine the critical performance criteria, identify which roles are more central to driving organisational performance, then do an analysis of a statistically valid sample of role holders to look for what differentiates performance. Study after study shows that the basis for the difference between good and superior performers is not in behaviours or personality, but in patterns of thought, pre-conscious motivation.

'Returning to the area manager example, this study was in a vehicle parts retailing business. The organisation's primary goal was to increase market share, having grown share-holder value in recent years by improvements in efficiency, supply-chain management and so on. The retail outlet managers and their area managers were studied by Burnham Rosen Group. Counter to expectations, against the goal of growing market share, the area manager role appeared to have little influence. However, the performance of individual outlets in growing market share was greatly affected by who the outlet manager was.

'We studied outlet managers at the motive level and found a dramatically strong correlation. The manager's attributed with most growth in their local market had in common a particular motivational profile. This profile was different from average performers. We also carried out in-depth interviews and 'coded' the interviews for particular patterns of thought.

In summary, we found that the average manager's motive profile fell broadly into two types. In some, the manager's unconscious goal, their motive, was to compete with themselves or others. For others their dominant unconscious concern was about impressing people and having impact.

Customer relations

'What might this mean in action? Well, take for example a customer who has a requirement for a part the outlet could not source immediately. The average performing managers became determined to solve the problem. They either saw it as a personal challenge or as an opportunity to impress. Consequently they often held on to the customer's vehicle for days, promising that they would soon have the elusive part. Frequently they would have to admit defeat, if the customer had not already stormed off elsewhere in frustration.

'The more successful manager's motive profile was different. Their unconscious concern was truly about helping customers. Therefore, in the same scenario they made more realistic assessments of their ability to fix the customer's problem. If they knew they couldn't get the customer back on the road quickly they might refer them to a competitor who they knew could. Sure, they lost a possible sale, but they built the type of reputation with customers that led to repeat visits and positive referrals, driving the expansion in market share.

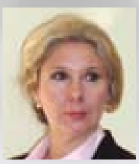
'All three outlet managers consciously desired to please their customers. They had all been through the same training programmes around customer care. So it's not their conscious thinking that drove different actions, but their unconscious. They simply reinterpreted the same situation in three different ways, ways that are consistent with their unconscious motive needs.

'We've studied senior health and safety practitioners, account executives in professional services, human resource directors, sales managers and sales people and many more roles. If done carefully the findings are so insightful. Once people have knowledge of their motive profile and of the profile that drives most success in their role it's entirely possible to change these thought patterns. Our research is often just the ground-work before helping individuals and teams develop.

'Working on thoughts may feel alien to many,' acknowledges Jackson. 'We are all experienced in behavioural methods. Most of us will have experienced management training based on a behavioural approach. Of course, culturally, the concept of personality is pretty deeply entrenched. Again, most middle to senior managers will have completed some form of assessment based around a personality type or trait instrument.

'We're not setting out to question the usefulness of these methods across the board. Rather, the more general point here is that organisations could be more sophisticated and questioning about the assumptions that underpin some of these methods. Investment in scientific, outcome-based research might lead to surprising conclusions for organisations. Selection and development of leaders, for example, should not be a leap-of-faith investment. Human capital management involves humans, we shouldn't expect it to be easy or rational.' ■

Authors



Lorie Farrell is a management consultant and associate at Burnham Rosen and a former FD of St Ivel Creameries Ltd. She has 16 years' experience of working primarily at board level on strategy creation and implementation, coaching directors and developing leaders.

Rob Jackson is a management consultant and lead facilitator at Burnham Rosen Group. He has over 14 years' experience in human resource development and organisational change, having previously held senior scientific positions with line and operational management accountabilities, mainly within the energy and defence sectors.