

The Fourth Element of Great Managing

Employees may be motivated by many different things, but they all strive for a surge of dopamine

by Rodd Wagner and James K. Harter


Adapted from [12: The Elements of Great Managing](#) (Gallup Press, December 2006)

[Post a Comment](#)

The professor was running late. Despite the delay, he arrived to find that none of his graduate students had deserted him. Instead, they were waiting, pens and notebooks ready as usual.

The professor liked to pace a bit while he lectured, slowly moving from left to right and back again as he explained the intricacies of production and operation management. And so he did on this day, moving quickly into the material to make up for lost time and beginning the slow game of Pong his students had come to expect.

But something strange happened over the course of the period. The longer he lectured, the more he favored the left side of the room. He didn't think about it. Mentally immersed in the course material he was teaching, he wasn't really conscious of this growing preference. Yet something did seem to be pulling him to one side. By the end of class, he was nearly pinned against the left wall, inexplicably unsettled by the idea of leaving a small region on one end of the court.



“Lavish trips and large bonuses
aside, employee recognition
doesn't have to be expensive.”

Finally, one of the students confessed. While waiting for the professor before the lecture, the student organized the rest of the class to use the instructor as a guinea pig. The more the professor moved to the right, the more the students feigned boredom, looking at their watches or down at their notes. The more he moved to the left, the more they perked up, nodding in agreement, participating in the discussion, and chuckling at his comments. The unseen force was positive feedback. The students anchored it on the left wall, and the professor huddled up to it like a chilled traveler next to a warm hearth.

Such is the power of recognition and praise. When Gallup set out to discover the dimensions of work experience that truly drive performance, the same force that moved the professor showed up as a powerful motivator for any workgroup. The Fourth Element of Great Managing is measured by the statement "In the last seven days, I have received recognition or praise for doing good work."

Praise is painfully absent

As with many of the 12 Elements, positive feedback seems like a logical motivator of performance. Lavish trips

and large bonuses aside, employee recognition doesn't have to be expensive. Given the combination of its high impact and low cost, the Fourth Element should be ubiquitous in businesses.

However, in the perception of employees generally, praise is painfully absent from most companies and the workgroups within them. Fewer than one in three employees strongly agree with this statement. At any given company, it's not uncommon to find between one-fifth and one-third of the people disagreeing with this item, as if to say, "Not only have I not received any praise recently; my best efforts are routinely ignored."

Businesses could write off this issue as a collection of sad but irrelevant emotional deficits if reinforcement were not so important to motivation on the job. But it is. The effects on the company begin with intentions to quit: Employees who do not feel adequately recognized are twice as likely to say they will leave their company in the next year. There are even more profound consequences for outcomes short of quitting that reflect the energy the employee brings to work each day. Variation in the Fourth Element is responsible for 10% to 20% differences in productivity and revenue and thousands of loyal customers to most large organizations.

In one large healthcare organization, a difference of 10 percentage points on the recognition statement represented an average difference of 11% on patients' evaluations of their experience. In one investment firm, the difference between half of its investment advisors feeling recognized and one-third feeling that way represented an 11% difference in revenue -- millions of dollars. A large, multi-company analysis puts the average benefit of such a shift in recognition at 6.5% greater productivity and 2% higher customer engagement -- the latter being the most difficult and profitable metric to move -- where each percentage point equates to hundreds of millions of dollars in sales for a Fortune 500 company.

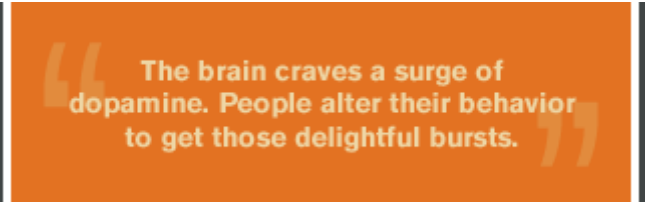
These linkages hold true regardless of the type of industry or culture. Some industries, such as manufacturing, and some countries, such as France, are even more prone to low recognition. But generalities like this can be misleading if they obscure the fact that one can find managers who charge up their teams with praise in any country and in any industry.

However, these managers are the exception. Because of its power, ridiculously low cost, and rarity, the Fourth Element is one of the greatest lost opportunities in the business world today.

The power of dopamine

Only within the last 10 years have scientists been able to determine what happened in the professor's brain, or in the brain of anyone receiving immediate positive feedback, for that matter. In 1998, researchers in London recruited eight men between the ages of 36 and 46. Each subject was asked to play a video game, the object of which was to move a tank through a battlefield, collecting flags while shooting at and destroying enemy tanks. The enemy tanks could fire back and destroy the three "lives" of the subject's tank. If all the flags were collected, the player moved to the next level.

The player knew in advance that for every level achieved, he would receive £7 (about \$12). Ten minutes into the game, the researchers injected the players with a small amount of a trace chemical so they could monitor by positron emission tomography scan which areas of the brain were activated by the psychological reward of winning.



The brain craves a surge of dopamine. People alter their behavior to get those delightful bursts.

One part of the brain that lit up was the ventral striatum, two string-bean-sized areas in the lower middle of each hemisphere. Neuroscientists believe that the ventral striatum and the nearby nucleus accumbens together form a key center for processing rewards and that a neurotransmitter (a chemical that sends a signal from one part of the brain to another) called dopamine is what tickles them, giving a feeling of enjoyment and satisfaction. The readings from the video game players "suggest at least a twofold increase in levels of extracellular dopamine," a level "similar to that observed following intravenous injection of amphetamine or methylphenidate."

Other studies have implicated dopamine hitting the ventral striatum as part of the mechanism behind enjoying good tastes and smells, receiving money, and even seeing a pretty face. The brain craves a surge of dopamine. People alter their behavior to get those delightful bursts. Some increase their exercise regimens so they can eat more of the foods they like without gaining weight. TV viewers switch news broadcasts to see an attractive anchorwoman's face. Gamblers pull the lever again and again and again trying to get the surge that comes with winning.

"At a purely chemical level," reported *Time* magazine, "every experience humans find enjoyable -- whether listening to music, embracing a lover or savoring chocolate -- amounts to little more than an explosion of dopamine in the nucleus accumbens, as exhilarating and ephemeral as a firecracker."

Positive words specifically have been found to activate regions of the brain related to reward. One employee Gallup interviewed tried to put the effect into words: "For me, receiving praise and recognition kind of sets off a little explosion inside. It's kind of like, 'Oh, that was good, but you know what? I can do better.' It helps give you that drive to want to continue achieving, doing yourself one better."

The effect of dopamine seems to be so gratifying that some people ruin their lives trying to artificially induce the buzz. Cocaine, heroin, nicotine, and alcohol are believed to get their addictive power in part by artificially increasing the level of the neurotransmitter in the brain. (After prolonged exposure, those who use artificial stimulants suffer lower baseline dopamine levels and want the drugs just to feel the effects of normal levels of the neurotransmitter.)

Fortunately, few people have a cocaine addiction, but every normal employee has a dopamine habit. Managers shouldn't want it any other way. A lack of naturally produced dopamine causes patients with Parkinson's disease to struggle making decisions. They have difficulty learning from situations that require trial and error because they don't have the proper emotional response to positive feedback. Without enough dopamine, their good choices are not reinforced well. The chemical not only makes healthy employees feel good when they get praise, it is also crucial to memory and learning. It creates an internal reward system that makes employees want to repeat behavior that the company needs -- if doing the right thing earns them recognition.

Balancing praise and correction

The thirst of this part of the brain for good news may explain why teams with a high quotient of recognition and praise perform better than those with relatively more correction or sniping. In one study, researchers observed 60 business teams, coding each interaction in meetings as positive (supportive, encouraging, or appreciative), negative (insulting, sarcastic, or cynical), focused on others, focused on the speaker, advocating, or inquiring.

When the observations were later matched with performance data about each team, researchers discovered that the high-performing teams had 5.6 times more positive than negative comments, were inquiring, and achieved a balance between comments about themselves and comments about others. (The first finding closely coincides with another researcher's findings of a 5-to-1 positive-to-negative ratio that is found in successful marriages.)

The low-performing teams had 2.8 negative comments for every positive comment and 29 self-referencing comments for every other-referencing comment. The struggling teams were negative and self-advocating. They were in a narrow-thinking survival mentality, while the productive teams operated in a culture of openness and more expansive thinking. It was not that the best teams brooked no criticism. They did discuss problems, but they did so in a larger context of reassurance and appreciation. The authors of the study referred to this to as "grounded positivity."

Some executives question the "extreme" wording of the Fourth Element statement, which asks about recognition "in the last seven days." They want to know why significant recognition such as a sales award or mention in an executive speech can't carry over for a month or more. It can, but it's not enough. The neurological research tracks dopamine levels moving in minutes, not months. All the evidence suggests that the employee brain is perpetually watchful and eager for reinforcing signals -- particularly unexpected, spur-of-the-moment boosts.

Highly engaged employees do not see the seven-day qualifier as an obstacle. "One of the things I like about working for my boss is that he's a very, very positive-reinforcement-oriented guy," said one salesman. "I don't imagine I've ever had a conversation with him in which he didn't tell me I'm doing a good job. It's a small thing, but it motivates me."

Being negative comes naturally

There are at least two reasons why a culture of recognition is rare. First, some of the deepest human emotions are essentially selfish. We are better wired to receive praise than to give it. We feel our own hunger more than we empathize with others around us. "When things haven't gone well for you, call in a secretary or a staff man and chew him out," said U.S. President Lyndon B. Johnson. "You will sleep better, and they will appreciate the attention."

Second, while the ventral striatum seems to be programmed to respond to positive events, other parts of the brain are even more vigilant for negative news. Biologists believe that this is a survival instinct. For our distant ancestors in the woods and ourselves on the highway, failing to see something good is disappointing; failing to see something bad could be fatal.

There is overwhelming evidence for this "negativity bias" in humans. For example, give someone a small possession, and he will pay twice as much to keep it (not to lose it) as he would to get it in the first place. To avoid losses, investors will forego much larger gains. Citizens bemoan negative political campaigns, but they commonly vote not so much "for" a candidate as "against" his opponent. Studies find that people spot angry faces much faster than they find happy expressions.

"A growing body of literature is documenting an attention bias toward negative information," wrote four American researchers in 2002. "Our attention is automatically drawn to negative information more strongly than it is automatically drawn to positive information."

So it should not be surprising that the majority of managers and companies are quicker to swat down a problem than they are to praise exemplary performance. In a fast-paced business, there are always problems. Without a conscious effort to maintain recognition, the negative events will continually jump in line before the positive ones.

If an employee anticipates she will be recognized for something, the disappointment of finding only silence causes a dip in dopamine levels. The drop in the neurotransmitter conditions the employee to avoid the thankless task. If the task must be done for the employee to earn her pay, she will likely reduce her effort to the minimum required. Shunning what gives no psychological reward is as basic for humans as it is for bears not to forage where there are no berries.

"The worst thing about working here is not being recognized for doing things that help fellow employees," wrote one worker in this predicament. "Every Friday night that I work, my department gets out fairly early. The adjoining department still has stuff to do before closing. I stay and take time out of my Friday night to help out, and not one manager has recognized me for it." The employee said he was going to stop being so helpful.

Employees who don't get their dopamine fix in one place will look for it somewhere else. Who hasn't seen an employee create a mediocre spreadsheet for a company project and a thing of beauty for the office NCAA basketball tournament betting pool? Given that winning a game of solitaire on the computer also tickles the reward centers of the brain, companies should not be shocked when under-recognized workers steal away a little company time for a quick game or two -- or 10.

There are several excuses managers and even top executives give for being parsimonious with praise. Some tell their employees up front, "If I don't say anything, you're doing a good job." This "no news is good news" idea works on machines like lawn mowers, where the motor is designed to keep running until the operator hits the kill switch, but it flies in the face of the neurobiology just described.

Other managers dismiss their responsibilities with statements such as "I'm just not very good at giving praise." While they get points for candor, the explanation for defaulting on such a managerial imperative doesn't cut it. Would the same leaders also dismiss themselves from financial results by saying, "I'm not very good with math"?

Managers who fail to deliberately use the power of positive feedback are not only handicapping their own managerial effectiveness, they are also diminishing the power of the salaries they are paying. Those who score the Fourth Element highest are two-and-a-half times more likely to agree with the statement "From my most objective viewpoint, I am paid appropriately for the work I do" than those at the other end of the recognition scale.

If that's not enough, managers who need one last reason to change their ways might consider a recent experiment in which subjects were given one week to write and deliver in person "a letter of gratitude to someone who had been especially kind to them but had never been properly thanked." The delivery of the letter was statistically linked to increases in happiness and decreases in depression for up to a month after the communication. These positive changes occurred in the person who gave the praise.

The Q¹² items are protected by copyright of The Gallup Organization, 1992-1999. All rights reserved.

James K. Harter, Ph.D., is Chief Scientist Workplace Management and Well-Being for The Gallup Organization. He is coauthor of the *New York Times* bestseller [12: The Elements of Great Managing](#) (Gallup Press, December 2006).

[>>Learn More](#)

Rodd Wagner is a Principal for The Gallup Organization. He is coauthor of the *New York Times* bestseller [12: The Elements of Great Managing](#) (Gallup Press, December 2006).

[>>Learn More](#)

MORE INFORMATION

Gallup Summit on the 12 Elements of Great Managing

How do great managers inspire top performance in employees? How do they generate enthusiasm, unite disparate personalities to focus on a common mission, and motivate teams to achieve ever-higher goals?

At this event, Gallup experts Rodd Wagner or James K. Harter, Ph.D., authors of *12: The Elements of Great Managing*, will share the most recent Gallup discoveries in the fields of neuroscience, game theory, psychology, sociology, and economics -- and show how managers can use this information to inspire their workgroups to even greater engagement and productivity.

To learn more about the event or to register, visit the [Gallup Summit on the 12 Elements of Great Managing](#) page on the Gallup Consulting site or contact [Amy White](#) at 609-279-2233 or [Krista Volzke](#) at 402-938-6001.

For a complete schedule of learning opportunities, visit the [Learning Events](#) page on the Gallup Consulting Web site.

Analysis™, CE¹¹®, Clifton StrengthsFinder®, the 34 Clifton StrengthsFinder theme names, Customer Engagement Index™, Drop Club™, Emotional Economy™, Employee Engagement Index™, Employee Outlook Index™, Follow This Path™, Gallup Brain™, Gallup Consulting™, Gallup Management Journal®, GMJ®, Gallup Press™, Gallup Publishing™, Gallup Tuesday Briefing®, Gallup University™, HumanSigma®, I¹⁰™, L³™, PrincipalInsight™, Q¹²®, SE²⁵™, SF³⁴®, SRI®, Strengths Spotlight™, Strengths-Based Selling™, StrengthsCoach™, StrengthsFinder®, StrengthsQuest™, TeacherInsight™, The Gallup Path®, and The Gallup Poll® are trademarks of The Gallup Organization. All other trademarks are the property of their respective owners. These materials are provided for noncommercial, personal use only. Reproduction prohibited without the express permission of The Gallup Organization.