



THE SCIENCE OF MOTIVATING SALES PEOPLE

The Carrot & the Stick Must Go

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Why Motivation Matters

Motivation matters! The very word “motivate” comes from the Latin *mōtivus*, which literally means “to move.” Behavioral science research has confirmed that motivation is a prime influencer of human behavior.¹ A person’s level of motivation even affects how his or her brain processes information. Neuroscientist John Rately affirms that motivation “determines how much energy and attention the brain and body assign to a given stimulus – whether it’s a thought coming in or a situation that confronts one.”²

As important as motivation is when selling, sales people are not always driven to put forth the necessary effort to be successful. This is a serious problem because in today’s hyper-competitive marketplace having an extremely motivated sales team is essential. If sales people are not motivated to perform, they will not be productive. Research by Bain & Company identified that when employees feel demotivated their productivity is often diminished by a staggering 25% - 50%.³

In spite of the fact that the motivation of sales people is a mission critical endeavor, sales leaders frequently struggle with answering the question, “What is the best way to motivate sales people?” Many sales managers admit that motivating their sales team remains somewhat of a frustrating mystery.

The reason that motivation is such a problematic issue is because the majority of motivational strategies that sales leaders use actually demotivate sales people. Most of these strategies are also over 100 years old. This is troublesome because in the last few decades there have been some astounding scientific breakthroughs that have revolutionized what is known about how humans are motivated. As one scientist wrote, “The study of motivation and emotion is a behavioral science. The term science signals that answers to motivational questions require objective, data-based, empirical evidence gained from well-conducted and peer-reviewed research findings.”⁴

The sobering reality is that as relevant as this research is, most sales leaders are unaware of it. They still employ archaic methods of motivation that ignore scientific truth and sabotage sales performance. This is not only highly detrimental, it also is unnecessary.

Behavioral scientists have identified that there are two primary forms of motivation. Each of these types of motivation will be analyzed within the context of motivating sales people. The findings of this research will conclusively reveal the most effective way to keep sales people motivated to sell at high levels.

1. Bernard Weiner. *Human Motivation: Metaphors, Theories, and Research*. (Thousand Oaks, CA: Sage, 1992).

2. John Rately. *A User’s Guide to the Brain: Perception, Attention, and the Four Theaters of the Brain*. (New York: Pantheon, 2001). p. 247.

3. F. F. Reichheld with T. Teal. *The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value*. (Boston: Harvard Business School Press, 1996). p. 1.

4. Johnmarshall Reeve. *Understanding Motivation and Emotion*. (Hoboken, NJ: John Wiley & Sons Inc., 2009). p. 3.

Extrinsic Motivation

Extrinsic motivation is the most frequently used form of human motivation. Many sales leaders zealously employ it in their attempts to motivate sales people to perform. Extrinsic motivation is a source of motivation that comes from outside of an individual. It is based upon the premise that an external influence can create the desire to accomplish an activity or behavior.

Extrinsic motivation became popular in the early 1900's because of management consultant Frederic Winslow Taylor. Taylor believed that people naturally detest work and that the inducement of an extrinsic motivator was necessary to compel individuals to work hard. His preferred inducement was financial reward. He asserted that employees should be financially compensated based upon their performance. For instance, an employee who made ten widgets an hour should make more than one who only made seven.

Taylor also emphasized that workers would produce more if they were closely managed. He contended that effective management required that an employee's job be deconstructed into small, measurable tasks. This would allow managers to closely monitor the worker's production level.

With its promise of increased efficiency, Taylor's theory was embraced by many organizations. One well-known example was the Ford Motor company. Ford relied heavily upon Taylor's ideas in their production and management of the assembly line. Also, many companies who employed manual laborers experienced success utilizing Taylor's management strategies.

However, over time, a flaw in Taylor's model became evident. It was incomplete. Taylor was correct when he acknowledged that people wanted to be fairly compensated for their work, but where he erred was in his belief that an extrinsic motivator was enough. This was particularly true for professions that were dependent upon the creativity of the worker, like sales. In these contexts, Taylor's philosophy actually proved counterproductive.

Though compensation was important, it was not enough to motivate heightened levels of performance, at least not for long periods of time. Financial incentives were not a reliable motivator because once the reward was achieved, it ceased to motivate. Also, the promotion of this culture of greed actually trained employees to be loyal to financial gain, not their employer. This would often induce turnover.

Taylor's antiquated theory of motivation would be easy to dismiss, except for the fact that today the vast majority of sales managers still believe that the best way to motivate a sales team is through extrinsic motivators. The most common methods of extrinsic motivation that sales leaders employ are to reward desired results and punish the unwanted outcomes. This is also generally referred to as the carrot and the stick.

Sales leaders rarely realize the destructive effects of using these weapons of motivation because they do frequently produce some short-term effects. Though, the long-term consequences of using the carrot and the stick are devastating. Extrinsic motivation actually demotivates those whom it is used upon.

Ironically, this de-motivation occurs while sales managers are attempting to motivate their sales people.

Research has overwhelmingly shown that attempts to motivate sales people through a system of rewards and punishments are ultimately self-defeating. Nigel Nicholson, Professor of Organizational Behavior at London Business School, verified that “all available evidence suggest that external incentives – be they pep talks, wads of cash, or even the threat of unpleasant consequences – have limited impact.”⁵

The foundational precept of the carrot and stick is that sales people must be bribed or beaten into obedience. This perilous form of motivation essentially treats sales people like an animal who require a carrot to be dangled in front of its face to prompt movement and a whip to be used if the carrot ceases to motivate. This type of primitive behavior towards sales people can easily cross the line and become improper and at times even cruel.

Now to be sure, when used correctly, the carrot and the stick have their place in every organization. Top performers should be recognized for their accomplishments. Paying sales people fairly is an absolute necessity. If sales people are not compensated equitably they will become disgruntled. Likewise, if a sales person exhibits behavior that is unprofessional or unethical, the stick should be used to discourage such conduct. The troubles arise when sales managers employ the carrot and the stick as the primary means of motivating sales people to perform basic job functions.

Because the carrot and the stick are the most prevalent motivation strategies imposed upon sales people, both will be discussed. The goal is that sales leaders will realize the folly and danger in using these outdated and unproductive practices.

The Carrot

The term “carrot” is used to denote some form of reward, usually monetary, that is offered to induce a sales person to generate more sales. The carrot is usually the first motivational strategy that an amateur sales manager uses, and only when it does not produce the desired results does the sales manager resort to the stick.

The idea of financially rewarding sales people is not wrong. The problems occur when sales leaders pervert the idea of a monetary incentive and turn it into a primary source of motivation. It is one thing to give a carrot as a reward for a job well done, it is another to use a carrot to attempt to control behavior.

The reason that the carrot is so pervasively utilized as a motivational tool is because many sales leaders have embraced the delusion that sales people are only motivated by money. This ludicrous belief, though widespread, has been proven to be unfounded.

5. Nigel Nicholson. “How to Motivate Your Problem People.” *Harvard Business Review*, January, 2003.

Extensive research has been conducted on what motivates people to excel in the workplace. These studies have consistently revealed that money is not the main reason that sales people remain at a job or perform at an elite level.

- Bruno S. Frey and Margit Osterloh commented on this in their *Harvard Business Review* article which stated, “The idea that people work only for money has been thrown overboard by leading scholars. Research has shown that human beings are not interested solely in material gain.”⁶
- Psychologist Edward Deci is one of the leading scholars in the study of human motivation. He has written that extrinsic motivation is not an effective way to motivate someone to want to do something. He summarized the conclusions of his extensive research in the *Journal of Personality and Social Psychology* when he affirmed, “One who is interested in developing and enhancing intrinsic motivation in children, employees, students, etc., should not concentrate on external-control systems such as monetary rewards.”⁷
- Management expert Frederick Herzberg, conducted research that was published in his book aptly titled, *The Motivation to Work*.⁸ Herzberg disclosed that financial inducements do not produce lasting improvements in performance. Herzberg’s research has been published in numerous academic and management journals; in fact, his article “One More Time: How Do You Motivate Employees?” is the most reprinted article in the history of the *Harvard Business Review*.⁹
- Renowned psychologist, Daniel Goleman wrote that his research has established, “high-performing workers are motivated by more than money.”¹⁰

Dr. Linda Hill, Professor at Harvard Business School, maintains that many inexperienced managers believe that money is the chief motivator of their staff. Dr. Hill found that these naïve managers learn over time that there are numerous other incentives, both tangible and intangible, that are more important than money.¹¹ As the late David Sandler, founder of Sandler Sales Institute appropriately said, “You must have a reason and a cause beyond the money for why you are in sales.”¹²

The more successful sales people become, the more other factors take precedence over money. For instance, a survey conducted by authors Carol Holahan and Robert Sears asked 1,528 highly successful business people what gave them the most satisfaction as they reflected on their career. Not surprisingly, money was at the bottom of the list.¹³ James Kouzes and Barry Posner, address this in their bestselling book, *The Leadership Challenge*, when they acknowledge that things such as job security, interesting work and quality leadership were all ranked higher than money when people were asked what they wanted

6. Bruno S. Frey and Margit Osterloh. “Stop Tying Pay to Performance.” *Harvard Business Review*, January – February, 2012. p. 52

7. Edward L. Deci. “Intrinsic Motivation, Extrinsic Reinforcement, and Inequity.” *Journal of Personality and Social Psychology* 22, 1972. p. 119 – 120.

8. Frederick Herzberg. *The Motivation to Work*. (New York: John Wiley and Sons, 1959).

9. Frederick Herzberg, “One More Time: How Do You Motivate Employees?” *Harvard Business Review*, September-October 1987. p. 109-120.

10. Daniel Goleman. “Leadership That Gets Results.” *Harvard Business Review*, March – April, 2000.

11. Linda Hill. *Becoming a Manager*. (Boston: Harvard Business School Press. 2003). p. 103.

12. Sandler Sales Institute: *President’s Club CD: “Improving Your BAT-ting Average.”* (Sandler Systems Inc, 2006).

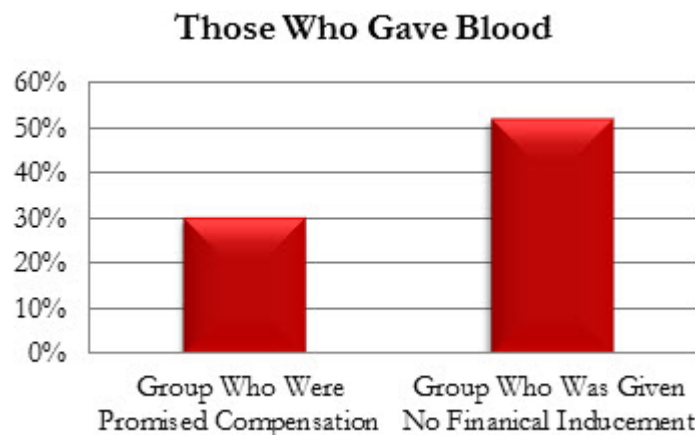
13. Carole K. Holahan and Robert R. Sears. *The Gifted Group In Later Maturity*. (Palo Alto, CA: Stanford University Press, 1995).

from a job.¹⁴ Kouzes and Posner confirmed that in their research of this topic the “responses have been amazingly consistent over the years.”¹⁵

Dangling a carrot in front of sales people to stimulate sales is not only ineffective, but it has also proven to be damaging to a sales team. This is because leveraging the carrot as a primary motivator will often produce the following four detrimental outcomes.

The Carrot Diminishes Motivation

Research studies have found that extrinsic motivators, like the carrot, actually undermine the internal desire to accomplish a task.^{16 17 18 19 20 21} One notable experiment that demonstrated this was led by two economists and published in the *Journal of European Economic Association*.²² The experiment consisted of inviting two random groups of women to donate blood. Those in the first group were promised financial compensation in exchange for giving their blood. The women in the second group were simply asked to contribute. The outcome was that despite the assurance of payment only 30% of those in the first group donated blood. In contrast, 52% of the second group, who were not offered any inducement, chose to give blood. The economists concluded that the promise of financial gain shifted the focus of the task to the financial worthiness of the action and drowned out any desire to give blood.



14. James Kouzes and Barry Posner. *The Leadership Challenge: Fourth Edition*. (Hoboken, NJ: John Wiley & Sons Inc., 2007). p. 120.

15. Ibid. p. 358.

16. E. Deci and R.M. Ryan. *Intrinsic motivation and self-determination in human behavior*. (New York: Plenum, 1985).

17. M. Lepper and D. Greene (Eds.). *The hidden costs of reward*. (Hillsdale, NJ: Erlbaum, 1978).

18. S. Tang and V. Hall. “The overjustification effect: A meta-analysis.” *Applied Cognitive Psychology*, 9, 1995. p. 365 – 404.

19. A. Kohn. *Punished by Rewards*. (New York: Houghton Mifflin, 1993).

20. J. Pfeffer and R. I. Sutton. *Hard Facts, Dangerous Half-Truths & Total Nonsense: Profiting from Evidence-Based Management*. (Boston: Harvard Business School Press, 2006). p. 109-134.

21. D. Rosenfeld, R. Folger and H. Adelman. “When rewards reflect competence: A qualification of the overjustification effect.” *Journal of Personality and Social Psychology*, 39, 1980. p. 368-376. .

22. Carl Mellstrom and Magnus Johannesson. “Crowding Out in Blood Donation: Was Tímtmus Right?” *Journal of European Economic Association* 6, no 4, June 2008. p. 845 - 863.

The findings of this study are not unique. There have been many scientific studies which have confirmed that when one comes to the realization that an activity is being done primarily for money, the appeal of the task is substantially reduced. Behavioral scientist Jonmarshall Reeve writes about this in the popular textbook, *Understanding Motivation and Emotion* when he asserts, “People use rewards expecting to gain the benefit of increasing another person’s motivation and behavior, but in so doing, they often incur the unintentional and hidden cost of undermining that person’s intrinsic motivation toward the activity.”²³

When a company trains its sales team to only work for the carrot, then the carrot must be continually increased to have a similar effect. As economist Anton Suvorov said, “Rewards are addictive in that once offered, a contingent reward makes an agent expect it whenever a similar task is faced, which in turn compels that principle to use rewards over and over again.”²⁴ This is so engrained in human psychology that it is even evident in children. For example, a well-known folktale illustrates this:

A wise old man moved into a neighborhood where a number of adolescent boys lived. Each afternoon the boys would gather together and play in the street. The boys were noisy and irritated the old man. However, the old man understood some basic principles of human motivation. Rather than scold the boys for playing loudly, he instead told them how much he enjoyed observing them play and that watching them play reminded him of when he was a boy. Then the old man proceeded to tell the boys that if they would come back tomorrow and again play in the street that he would give each of them \$5. The boys were delighted and quickly agreed to the offer.

The next day, just as they had done for weeks before, the group of energetic boys excitedly met in the street to play. At the end of the day, the old man gave them each five dollars and asked them to come back and play again tomorrow. The old man told them that since he was on a fixed income he could only afford to pay them \$2 apiece. The boys thought it over and accepted his proposal.

The next day the boys played together and at the end of the day they went to get their money from the old man. After giving each boy two dollars the old man asked the boys to again come back and play tomorrow. Although, this time he informed the boys that he could only afford to pay them .50 each. The boys were upset by the offer and talked it over as a group for a few minutes. They then informed the old man that playing together all day long for only .50 was unfair, since they had previously earned much more for the same amount of play. The boys rejected the offer and never returned to play in the street again and the wise old man got his peace and quiet.

23. Jonmarshall Reeve. *Understanding Motivation and Emotion*, 4th ed. (Hoboken, N.J.: John Wiley & Sons, 2005. p. 143.

24. Anton Suvorov. “Addiction to Rewards,” presentation delivered at the European Winter Meeting of Econometric Society, October 25, 2003.

The Carrot Reduces Sales Performance

The financial inducement of the carrot has been proven to inhibit the ability to creatively adapt when executing a task. For example, Princeton University Psychologist Sam Glucksberg conducted a now famous experiment that examined the effects of the carrot upon creativity and critical thinking.²⁵ Glucksberg randomly divided those who had agreed to be part of the experiment into two groups. Each person from the first group was led into a room and shown a multifaceted puzzle. The participant was then told that the experiment would be timed to see how fast he or she could solve the problem.

Each participant in the second group was told the identical information as those in the first group, except those in this group were also informed that that if a participant's time was in the fastest 25%, he or she would receive \$5. In addition, each member of this group was also promised that if he or she was the quickest to solve the problem that person would be given a \$20 reward.

Traditional thinking would presume that those in the second group, who had the most to gain, would decipher the puzzle the fastest. However, that is the opposite of what happened. The group that was promised compensation took on average three and a half minutes longer than the group that knew nothing about any incentive. The promise of a reward dulled the creativity of those in the group to such an extent that it rendered them ineffective.

There is an abundance of research that has verified that attempting to motivate someone via the carrot hinders innovation.

- A study conducted at the London School of Economics analyzed the effects that the compensation plans of fifty-one large corporations had on the employees. Their startling discovery was, "financial incentives... can result in a negative impact on overall performance."²⁶
- Teresa Amabile of Harvard Business School echoes this assertion. Amabile is considered to be one of the leading scholars on the subject of human creativity. Her research has revealed that extrinsic motivational strategies thwart the creative process.^{27 28}

This is alarming because creativity is a central component of successful selling. Sales people are constantly forced to adapt and think on their feet. This mental dexterity is essential since every prospect that a sales person interacts with is different. Each prospect has a distinct problem, personality, attention span, knowledge base, emotional state, buying motivators and belief system. If a sales person cannot competently react to each unique prospect he or she will be ineffective. Due to the fact that the carrot hinders creative thinking, it is a dangerous business practice and simply unacceptable.

25. Sam Glucksberg. "The Influence of Strength of Drive on Functional Fixedness and Perceptual Recognition." *Journal of Experimental Psychology*, 63, 1962. p. 36 - 41.

26. "LSE: When Performance-Related Pay Backfires." *Financial*, June 25, 2009.

27. Teresa M. Amabile. *Creativity in Context*. (Boulder, Colorado: Westview Press, 1996).

28. Teresa M. Amabile. "Motivation and Creativity: Effects of Motivational Orientation on Creative Writers." *Journal of Personality and Social Psychology*, vol. 48, no. 2, 1985. p. 393- 399.

The Carrot Frustrates Sales People

The use of the carrot as a motivational strategy is based upon the premise that sales people are withholding effort. Think about it, for the carrot to make logical sense one must adopt the belief that if sales people were incentivized they would work harder and generate more sales.

Yet, if a sales team is working hard and they have been effectively trained and managed, will swaying a carrot in front of them really make a difference? It should not. If the carrot does increase sales production then it indicates a serious problem with either the sales people or the sales leader. Moreover, if sales people are intentionally withholding sales or refusing to perform the necessary selling activities then they should be terminated immediately for insubordination. Though, this is rarely ever the case. Why would sales people not want to produce sales?

The real danger comes when sales people are working at maximum capacity and they are given a carrot to prompt them to exert more effort. This will ultimately demotivate them. This is why the carrot is so problematic. If sales people are putting forth maximum effort, the carrot will diminish morale and increase frustration, both of which will lead to a decline in sales.

The Carrot Fosters a Culture of Greed

Is greed good? Many sales leaders take pride in promoting a culture of greed within their sales team. Sales people are frequently taught that chasing the carrot is the highest ideal and that the carrot should be the reason why they are in the profession of selling. However, the evidence has conclusively displayed that a culture of greed always backfires on an organization and a sales leader. Though it may promote short-term gains, it erodes any sense of loyalty. Also, if sales people pursue the carrot above all else they will always be striving to satisfy their greed, regardless of whether it is in the best interest of the company or not. This inept mentality is both wrong and damaging.

The disloyalty that a culture of greed breeds will induce turnover. When sales people are only focused upon the carrot then they will constantly be looking for a more profitable opportunity. As soon as they find a position that will offer them even a little more financial gain, they will leave their employer.

This is no small matter because the turnover that a culture of greed produces is a tremendous waster of a company's resources. The *Wall Street Journal* reports that the cost of turnover can be several times the annual compensation of a position.²⁹ The US Department of Labor estimates for managers or professional employees like sales people, the cost of replacing that employee is up to twice the departing employee's annual salary.³⁰

29. Joe Light. "More Workers Start to Quit." *The Wall Street Journal*. (Wednesday, May 25, 2010).

30. Richard Luecke. *Manager's Toolkit*. (Boston: Harvard Business School Publishing, 2004). p. 46.

Creating a culture of greed by trying to motivate through the carrot will actually destroy a sales team. If you employ the carrot as a primary motivational tool, sooner or later the culture of greed you have created will reveal itself for what it truly is – shallow and ultimately destructive. Although, as damaging as the carrot can be, there is another form of extrinsic motivation that is just as prevalent, but far more toxic – The Stick.

The Stick

Niccolo Machiavelli, the son of an Italian lawyer, was a political leader who penned two famous books, *The Prince* and *The Discourse*. Though Machiavelli was born in 1469 and died in 1527, both of his literary works have created a lasting influence upon human society. Even today the popular term, “Machiavellian” is used to describe ideas that are in line with Niccolo Machiavelli’s teaching.



Machiavelli believed that leaders should operate by different standards than everyone else. He maintained that those in positions of leadership needed to be cunning, ruthless and free of any moral restrictions. It was Machiavelli who promoted the idea that regardless of how many people had to suffer, the ends justify the means. This “might makes right” mentality is still very much alive today.

In spite of the fact that many debate the ethics of Machiavellian thought, it is this philosophy that the stick is based upon. Though both the carrot and the stick are extrinsic motivators, they are drastically different. While the carrot pulls a sales person towards an outcome, the stick jolts. If a sales person does not respond to the carrot, often sales leaders will utilize the stick because it cannot be ignored.

The Stick = inflicting punishment if certain performance benchmarks are not achieved.

Essentially, the stick is a threat that is designed to scare sales people into increased sales production. This fear tactic is often focused on decreasing the sales person’s income, although humiliation or the threats of job loss are also common. To be clear, the stick does have its place in an organization. If a sales person exhibits behavior that is inappropriate or unethical, the stick should be used to discourage such conduct.

However, the stick should never be used as a motivational strategy because it will always produce disparaging results. There are few actions that a sales manager can do that will demotivate a sales staff more than attempting to motivate them through the use of the stick. If the stick is used for an extended length of time, it will decimate a sales team._

If the stick is so destructive, why is it used so frequently on sales people? The reason is because when the stick is applied, it produces a rush of fear that generates a flurry of activity. The response reinforces

the action performed by the bully.³¹ Though, in reality, the stick does not motivate anyone, it merely creates coerced movement that actually undermines a sales person's ability to sell.

The use of the stick as a primary motivator is built upon an inaccurate view of the fear of loss. Neuroscientists affirm that fear is a universal emotion and is a response that is deeply ingrained in the human brain.^{32 33} To be sure, the fear of loss is a powerful motivator, provided it is leveraged correctly. However, the stick misuses the potency of the fear of loss and instead exasperates sales people.

Dr. Howard Leventhal of the University of Wisconsin has studied why some fear based appeals do not work.³⁴ Leventhal's research findings demonstrate that fear based communication ceased to be persuasive when the one being exposed to the fear was not shown how the fear could be avoided.³⁵

Without a clear understanding of how the stick can be eluded, sales people will become overwhelmed. This is why simply waving the stick at a sales person who is striving to do their best is always counter-productive.

When a sales manager attempts to motivate through the stick there are four unprofitable outcomes that generally occur. It is important to understand each so that you are aware of how detrimental this widespread strategy is.

The Stick Reduces Sales Performance

When the stick is used on sales people, it produces stress. Scientific research has proven that when people are burdened by the prolonged stress that the stick creates they are unable to perform at high levels. It is important to realize that the purpose of stress is to grab one's attention and prompt a primitive fight-or-flight response. For example, if you were walking along in the jungle and you encountered a tiger, your brain would be instantly hijacked and you would be compelled to either fight or flee from the tiger. This fight-or-flight mentality is meant to be experienced only during a traumatic event.

When sales people are subjected to the stick they are in this state of fight-or-flight for extended periods of time. This will produce chronic stress which reduces normal, intelligent people to an almost unrecognizable version of themselves. They become unable to think clearly, as the stress they are enduring is basically notifying their brain to operate on survival mode all of the time.

31. Walter Nord. "Beyond the Teaching Machine: The Neglected Area of Operant Conditioning in the Theory and Practice of Management." *Organizational Behavior and Human Performance*, vol. 4, 1969. p. 383.

32. B.D. Perry. "Fear and Learning: Trauma-Related Factors in the Adult Education Process." In S. Johnson and K. Taylor (eds.), *The Neuroscience of Adult Learning*. New Directions for Adult and Continuing Education, no. 110. (San Francisco: Jossey-Bass, 2006).

33. J.J. Ratey. *A User's Guide to the Brain: Perception, Attention, and the Four Theaters of the Brain*. (New York: Pantheon, 2001).

34. Howard Leventhal. *Advances in Experimental Social Psychology*, vol. 5. (New York: Academic Press, 1970).

35. H. Leventhal, R. Singer and S. Jones. "Effects of fear and specificity of recommendations upon attitudes and behavior." *Journal of Personality and Social Psychology*, 2, 1965. p. 20 – 29.

Human beings were not made to experience stress for more than a very short period of time. When people experience stress their bodies secrete both adrenaline and a hormone called cortisol.³⁶ Cortisol is a very powerful and long lasting hormone, which remains in the body long after the effects of adrenalin have faded.³⁷ This is the reason why after a stressful day at work you have a hard time unwinding and going to sleep. Hours after the event that induced the stress, cortisol is still surging through your body.³⁸

When stress is sustained, the brain is adversely affected by the unrelenting exposure to cortisol. Scientists have discovered that cortisol interferes with learning and hinders a person's ability to recall information.^{39 40} Elevated cortisol levels impede cognitive thinking because they actually kill brain cells in the hippocampus, a part of the brain that is particularly sensitive to cortisol. In fact, neuroscientists have found that continued exposure to high levels of cortisol will shrink the hippocampus.^{41 42} Yet, it is the hippocampus which enables the brain to form long term memories and integrate new memories with other memories, which is a function crucial for learning new ideas.⁴³

When sales people are persistently subjected to the stick they will experience prolonged stress which will hinder creativity, cognitive ability, social skills and overall effectiveness.⁴⁴

- Behavioral scientists Jeffrey B. Henriques and Richard J. Davidson confirmed the negative implications of stress in their article published in the journal *Biological Psychiatry* when they stated that when someone is experiencing high levels of stress his or her mental abilities erode.⁴⁵
- Another study found that people with high stress levels performed 50% worse on cognitive tests than those with low stress.⁴⁶
- Neuroscientist John Medina explains that the human brain does not function well when stressed. Medina writes that, "stressed people do not do math very well. They don't process language very efficiently. They have poorer memories, both short and long forms. Stressed individuals do not generalize or adapt old pieces of information to new scenarios as well as non-stressed individuals. They can't concentrate. In almost every way it can be tested, chronic stress hurts our ability to learn...Specifically, stress hurts declarative memory (things you can declare) and

36. John Medina. *Brain Rules*. (Seattle: Pear Press, 2008). p. 174.

37. Daniel Goleman, Richard Boyatzis and Annie McKee. *Primal Leadership: Realizing The Power of Emotional Intelligence*. (Boston: Harvard Business Press. 2002). p. 163.

38. Dolf Zillman, "Mental Control of Angry Aggression," in Daniel Wegner and James S. Pennebaker (eds.), *Handbook of Mental Control*. (Englewood Cliffs, NJ: Prentice Hall, 1993).

39. James Zull. *The Art of Changing a Brain: Helping People Learn by Understanding How the Brain Works*. (Sterling, VA: Stylus, 2002). p. 65.

40. O.M. Wolkowitz, V. Reus, H. Weingartner, K. Thompson, A. Breier, A. Doran, D. Rubinow and D. Pickar. "Cognitive Effects of Corticosteroids." *American Journal of Psychiatry*, 147, 10, 1990. p. 1297 – 1303.

41. Pierce J. Howard. *The Owner's Manual for The Brain*. (Austin: Bard Press. 2006). p 816.

42. Bruce McEwen and R.M. Sapolsky. "Stress and Cognitive Function." *Current Opinions in Neurobiology*, 5, 1995.

43. J. Zull. *The Art of Changing the Brain: Enriching the Practice of Teaching by Exploring the Biology of Learning*. (Sterling, VA: Stylus, 2002).

44. Jacqueline Wood, Andrew Matthews and Tim Dalglish. "Anxiety and Cognitive Inhibition." *Emotion*, 1, 2001. p. 166 – 181.

45. Jeffrey B. Henriques and Richard J. Davidson. "Brain Electrical Asymmetries during Cognitive Task in Performance in Depressed and Nondepressed Subjects." *Biological Psychiatry*, 42, 1997. p. 1039 – 1050.

46. John Medina. *Brain Rules*. (Seattle: Pear Press, 2008). p. 178.

executive functions (the type of thinking that involves problem-solving).”⁴⁷

- Social scientists Daniel Goleman summarizes the research on the effects of stress when he bluntly declares, “Stress makes people stupid.”⁴⁸

Research shows that the stick produces stress that undermines all of the basic human functions that are needed to be successful in selling. This is damaging because sales people are the face of a company. When they are subjected to stress they are rendered ineffective and this will have a negative impact upon the organization they serve.

The Stick Physically Hurts Sales People

As you have already seen, the evidence clearly verifies that when the stick is employed as a motivational tool it will produce sustained periods of stress. However, more than just hindering selling abilities, the stick also physically harms sales people.

Doctors universally agree that persistent exposure to stress exposes one to numerous health risks.^{49 50}

- Stress raises blood pressure, which increases the risk of having a heart attack or stroke.⁵¹
- Research published in the *Journal of Business and Psychology* found that bad management practices will induce stress and as a result adversely affect the health of subordinates by raising the risk of heart disease.⁵²
- A University of Pittsburgh study examined 901 men who had high levels of mental stress.⁵³ The study exposed that the stress these men had been subjected to had caused blocked blood vessels comparable to those who are heavy smokers.

Medical research has established that stress weakens the immune system and makes people more susceptible to illness.⁵⁴

- The *Centers for Disease Control and Prevention* affirms that 80% of all medical expenses are now

47. Ibid. p. 178.

48. Daniel Goleman. *Emotional Intelligence*. (New York: Random House, 2006). p. 149.

49. M. Kivimaki, J. Ferrie, E. Brunner, J. Head, M. Shipley, J. Vahtera, M. Marmot. “Justice at Work and Reduced Risk of Coronary Heart Disease Among Employees: The Whitehall II Story.” *Archives of Internal Medicine* 165, 2005. p. 2245-2251.

50. Jeffery Pfeffer. “Could We Manage Not to Damage People’s Health?” *Harvard Business Review*, November, 2011.

51. Robert Karasek and Tours Theorell. *Healthy Work: Stress, Productivity, and the Reconstruction of Working Life*. (New York: Basic Books, 1990).

52. Nicolas Gillet, Evelyne Fouquereau, Jacques Forest, Paul Brunault and Philippe Colombat. “The Impact of Organizational Factors on Psychological Needs and Their Relations with Well-Being.” *Journal of Business and Psychology*, Online First™, December 22, 2011.

53. Pierce J. Howard. *The Owner’s Manual for The Brain*. (Austin: Bard Press. 2006). p. 816.

54. Sheldon Cohen, paper delivered at the Third International Congress of the International Society for Neuroimmunomodulation, Bethesda, MD, November 1996. Reported in *Science*, November 29, 1996.

stress-related.⁵⁵

- Stress has been directly linked to more than half of the working days lost to absenteeism each year.⁵⁶
- Neuroscientists have also discovered that chronic stress will frequently lead to depression.⁵⁷

The stick will not only deter your sales people's sales production, it will also hinder their lives. One prime example of how the stick harms sales people was evident in a small company who had experienced numerous years of growth, but was beginning to plateau. Rather than invest in more training, coaching or additional resources to enhance the sales team's performance, the company's CEO instead chose to leverage the stick.

This CEO firmly believed that sales people were only motivated by money. In a feeble attempt to motivate the sales team this CEO would regularly reduce sales commission. He was under the delusion that this would force the sales people to work harder to make the income they had become accustomed to.

In an effort to further push the sales team to sell more, the CEO also merged the sales team's quota and sales minimums, so they were one in the same. This meant that if a sales person did not meet 100% of their monthly quota that sales person would receive no commission on all of the sales generated. Since commission was approximately 70% of the sales team's compensation, this policy had significant implications for the sales team. The sales people worked frantically to make their quota. When the CEO would observe the team literally working around the clock to make their numbers he would gleefully proclaim, "I love it when sales people are killing themselves at the end of the month trying to make their numbers."

However, when the sales people continued to exceed their monthly quotas the CEO raised the quota by 50%. This change resulted in some of the sales people making quota, while almost half of the team, despite working seven days a week, did not. The CEO sadistically declared that the company would always win with the sales compensation plan he devised. If the sales people achieved quota, he would proudly announce that his plan worked. When many of the sales people did not achieve their quota he would simply state that he had "saved the company money because now we do not have to pay any commissions."

The stress that was inflicted upon the sales team through the stick grew so intense that the company's sales manager even complained to the CEO that one of the sales people was barely eating or sleeping and was having chest pains. Since he was advanced in years the sales manager was afraid that he would have a heart attack. The CEO unemotionally responded, "That is not your problem. If he has a heart attack it would not be your fault." Needless to say, with all the stress the sales team endured, morale plummeted and sales production followed. Within 10 months most of the sales staff, the sales manager and the CEO were no longer employed at the company.

55. John Medina. *Brain Rules*. (Seattle: Pear Press, 2008). p. 186.

56. Ibid. p. 186.

57. Ibid. p. 186.

The evidence is clear. The stick produces extreme amounts of stress which hurt people. Therefore, the use of the stick is unethical. Sales people are people first and their God-given status as human beings demands that they be treated with dignity and respect. As Peter Drucker wrote, “They’re not employees, they’re people.”⁵⁸ Using the stick to torture sales people with the false hope that they will sell more is not only wrong, but cruel.

The Stick Creates a Hostile Work Environment

There are few things that a sales manager can do that will cause his sales staff to turn against him or her faster than using the stick as a motivational weapon. Motivating through fear arouses resentment, damages morale and destroys performance. One study even found that when managers utilized the stick to motivate, the employees responded by becoming defensive, resentful, evading responsibility and avoiding their managers.⁵⁹ The stick creates feelings of disrespect, which is detrimental as research has shown that when people feel disrespected in the workplace they often sabotage peers and reduce their overall productivity.⁶⁰

Behavioral scientists Christine Porath and Christine Pearson address this problem in their article, “The Price of Incivility.” Porath and Pearson revealed, “Nearly everyone who experiences workplace incivility responds in a negative way, in some cases overtly retaliating. Employees are less creative when they feel disrespected, and many get fed up and leave. About half deliberately decrease their effort or lower the quality of their work. And incivility damages customer relationships. Our research shows that people are less likely to buy from a company with an employee they perceive as rude, whether the rudeness was directed at them or at other employees.”⁶¹

Through an extensive survey Porath and Pearson found that when an employee is on the receiving end of disrespect:

- 48% intentionally decreased their work effort.
- 47% intentionally decreased the time spent at work.
- 38% intentionally decreased the quality of their work.
- 80% lost work time worrying about the incident.
- 63% lost work time avoiding the offender.
- 66% said that their performance declined.

58. Peter Drucker. “They’re Not Employees, They’re People.” *Harvard Business Review*, February, 2002.

59. Jennifer George. “Emotions and Leadership: The Role of Emotional Intelligence.” *Human Relations*, vol. 53, no. 8, 2000. p. 1027 – 1055.

60. Gretchen Spreitzer and Christine Porath. “Creating Sustainable Performance.” *Harvard Business Review*, January - February, 2012. p. 97.

61. Christine Porath and Christine Pearson. “The Price of Incivility.” *Harvard Business Review*, January – February, 2013. p. 116.

- 78% said that their commitment to the organization declined.
- 12% said that they left their job because of the uncivil treatment.
- 25% admitted to taking their frustration out on customers.⁶²

Harvard's Linda Hill reports that many new managers utilize the stick to motivate their subordinates, but they quickly find that it does not produce any lasting effect, other than hostility. She writes, "Managers soon became aware of some negative consequence in the punitive approach. They noticed that punished subordinates often felt humiliated or alienated and even quit, 'out of the blue.' They also became hostile, looking for opportunities to get even with the manager or venting their frustration by acting vindictively toward coworkers. Most managers came to see that 'you can't shame people; you have to work on the positive side.'"⁶³

When sales people are subjected to the stick they become resentful. This hostility lingers as evidence published in the research journals *Personality and Social Psychology Review* and the *Psychological Bulletin* have found that negative comments and events have a profound impact and are remembered longer than positive ones.^{64 65}

What's more, the stick also inspires disloyalty. Sales managers who regularly use the stick as a method of motivation have higher than average turnover rates. Top sales people will not subject themselves to an incompetent manager who foolishly attempts to motivate them through the insolence of the stick. Gallop researchers Rodd Wagner and James Harter speak to this in their book *12: The Elements of Great Managing*, where they reveal that in-depth surveys have identified that organizations with disengaged employees experience a 30 – 50% increase in turnover. Wagner and Harter also report that these disgruntled employees also miss three times as many days of work as their engaged counterparts.⁶⁶

The Stick Promotes a Negative Mindset

Leveraging the stick is one of the most common ways that sales leaders cause negativity to pervade their sales teams. This negativity is dangerous because it will pollute a sales person's mindset. This matters because scientific studies have proven that one's mindset shapes his or her behavior. A negative mindset:

- Drains motivation
- Instigates unproductive behavior

62. Ibid. p. 117.

63. Linda Hill. *Becoming A Manager*. (Boston: Harvard Business School Press. 2003). p. 104.

64. P. Rozin and E.B. Royzman. "Negativity bias, negativity dominance, and cognition." *Personality and Social Psychology Review*, 5, 2001. p. 296 - 320.

65. J. J. Skowronski and D.E. Carlston. "Negativity and extremity biases in impression formation: A review of explanation." *Psychological Bulletin*, 105, 1989. p. 131 - 142.

66. R. Wagner and J. K. Harter. *12: The Elements of Great Managing*. (New York: Simon & Schuster, 2006).

- Hinders performance.

Behavioral scientists Michael Ross and Garth Fletcher have identified that when people are in a negative mindset their perceptions become more negative. Ross and Fletcher also point out that rather than attributing this negative outlook to a bad mood, the person actually believes that the world is different.⁶⁷

Respected change management expert, R. M. Kanter affirms that top leaders understand that when their subordinates feel good about working for them they perform better. Kanter also states that when employees feel powerless or disrespected they always underperform and build resentment towards both their manager and the organization.^{68 69}

In contrast, research studies have proven that when people are in a positive mood their cognitive abilities, such as comprehension and creativity are enriched.^{70 71 72}

Research published in the *Journal of Social and Clinical Psychology* found that when a person is in a positive mood decisions are easier to make and positive thoughts more readily come to mind.⁷³ For example, Alice Isen, Professor of Psychology at Cornell University, writes that when people are in a good mood they see the world through rose colored glasses.⁷⁴ Isen conducted a study where two random groups of people were asked to solve a complex puzzle.⁷⁵ The goal of the psychological test was to measure the participants' creativity. The subjects of the study were randomly divided into two groups. Those in the first group were shown a television bloopers show before attempting to solve the puzzle. The scientists observed that those in the first group were in a good mood from watching the bloopers. However, the second group was only presented with the puzzle and was never allowed to see the bloopers program. The outcome was that those in the first group were able to consistently solve the puzzle faster than those in the second group. This positive mindset enhanced their ability to think creatively and enabled them to solve the puzzle at a faster pace than those who had not witnessed the blooper show immediately before attempting to solve the puzzle.

In summary, the evidence is overwhelming: A negative mindset will significantly hinder a sales person's ability to sell. This is why the negativity that the stick inflicts upon a sales team is not only undesirable, it is also avoidable.

67. M. Ross and G.J.O. Fletcher. "Attribution and social perception." In G. Lindzey and E. Aronson (eds.), *The Handbook of Social Psychology*, 3rd ed. (New York: Random House, 1985).

68. R. M. Kanter. *The Change Masters: Innovation for Productivity in the American Corporation* (New York: Simon & Schuster, 1983).

69. R. M. Kanter. *When Giants Learn to Dance: Mastering the Challenges of Strategy, Management, and Careers in the 1990's*. (New York: Simon & Schuster, 1989).

70. A.M. Isen. "Positive Affect," in Tim Dalgleish and Mick J. Power (eds.), *Handbook of Cognition and Emotions*. (Chichester, England: Wiley, 1999). p. 521 – 540.

71. Gordon H. Bower, "Mood Congruity of Social Judgment," in Joseph Forgas (ed.), *Emotional and Social Judgments*. (Oxford: Pergamon Press, 1991). p. 31- 33.

72. R.E. Petty, D.W. Schumann, S.A Richman and A.J. Strathman. "Positive mood and persuasion: Different roles for affect under high and low elaboration conditions." *Journal of Personality and Social Psychology*, 64, 1993. p. 5 – 20.

73. A.L. Stone and C.R. Glass. "Cognitive distortion of social feedback in depression." *Journal of Social and Clinical Psychology*, 4, 1986. p. 179 – 188.

74. A.M. Isen. "Toward understanding the role of affect in cognition." In R.S. Wyer and T.K. Srull (eds.), *Handbook of Social Cognition*, vol. 3. (Hillsdale, NJ: Erlbaum, 1984). p. 179 – 236.

75. Alice Isen. "The Influence of Positive Affect on Clinical Problem Solving." *Medical Decision Making*, July – September, 1991.

Intrinsic Motivation

While it is clear that the extrinsic motivational strategies of the carrot and the stick are detrimental, many wonder what form of motivation should be used. Science has verified that the most productive form of human motivation is intrinsic motivation.^{76 77 78 79} This type of motivation is a hallmark in top performing sales people and has been proven to naturally stimulate productive behavior.

Intrinsic motivation = when someone is compelled to act, not because of any external inducement, but due to an internal desire.

Intrinsic motivation is often referred to as self-motivation or ambition. Social Psychologists Ryan and Deci affirm that, “intrinsic motivation is entailed whenever people behave for the satisfaction inherent in the behavior itself.”⁸⁰

Behavioral scientists agree that “intrinsic motivation... is the strongest and most persuasive driver.”⁸¹

The Difference Between Extrinsic and Intrinsic Motivation

There is a vast difference between extrinsic and intrinsic motivation. Extrinsic motivation is when one person tries to make another want to do something. In contrast, intrinsic motivation is when a person’s internal desire causes him or her to desire to perform an activity. While the ultimate goals of extrinsic and intrinsic motivators may be identical, the way the motivational strategies are executed are drastically different.

Leadership experts, James Kouzes and Barry Posner contrast the difference between intrinsic and extrinsic motivation when they affirm, “People do things either because of external controls - the possibility of a tangible reward if they succeed or punishment if they don’t - or because of an internal desire. People do something because they feel forced, or because they want to... Which condition is more likely to produce extraordinary results? On this, the research is very clear. External motivation is more

76. E. Deci with R. Flaste. *Why We Do What We Do: Understanding Self-Motivation*. (New York: Penguin, 1995).

77. K. W. Thomas, *Intrinsic Motivation at Work: Building Energy and Commitment*. (San Francisco: Berrett-Koehler, 2000).

78. C. Sansone and J. M. Harackiewicz (eds.), *Intrinsic and Extrinsic Motivation: The Search for Optimal Motivation and Performance*. (New York: Academic Press, 2000). p. 16.

79. Jonmarshall Reeve. *Understanding Motivation and Emotion*. (Hoboken, NJ: John Wiley & Sons Inc., 2009). p. 3.

80. R. Ryan and E. Deci. “When Reward Compete with Nature: The Undermining of Intrinsic Motivation and Self-Regulation,” In C. Sansone and J. M. Harackiewicz (eds.), *Intrinsic and Extrinsic Motivation: The Search for Optimal Motivation and Performance*. (New York: Academic Press, 2000). p. 16.

81. Karim R. Lakhani and Robert G. Wolf, “Why Hackers Do What They Do: Understanding Motivation and Effort in Free/ Open Source Software Projects,” in J. Feller, B. Fitzgerald, S. Hissam and K. Lakhani. (eds.), *Perspectives on Free and Open Software*. (Cambridge, Mass.: MIT Press, 2005).

likely to create conditions of compliance or defiance; self-motivation produces far superior results.”⁸² Kouzes and Posner further elaborate on the power of intrinsic motivation when they write, “When it comes to excellence, it’s definitely not ‘What gets rewarded gets done,’ it’s ‘What is rewarding gets done.’ You can never pay people enough to care – to care about their products, services, communities, families, or even the bottom line.”⁸³

Well-known economist Bruno Frey echoes this idea when he avowed, “Intrinsic motivation is of great importance for all economic activities. It is inconceivable that people are motivated solely or even mainly by external incentives.”⁸⁴ It only takes a limited grasp of human psychology to understand that someone will work harder to do something they want to do, than something they are being forced to do.

Because sales are the lifeblood of a company, intrinsically motivated sales people are mission critical for any organization. Gallop researcher J. Thackray comments on this when he wrote in the *Gallup Management Journal*, “Gallup surveys involving more than ten million employees, from over 110 countries in industries as varied as electrical utilities, retail stores, restaurants, hotels, hospitals, paper mills, government agencies, banks, and newspapers, as well as dozens of others, clearly show that the extent to which people feel powerful and engaged in their work is directly linked to positive business outcomes (sales growth, productivity, customer loyalty, and so forth).”⁸⁵

This is why knowledgeable sales leaders refuse to use extrinsic motivators. These leaders understand that intrinsic motivation is more effective than the manipulative extrinsic motivational tactics. Intrinsic motivation has been proven to naturally stimulate productive behavior. Once a manager understands this basic principle of human motivation he or she quickly realizes that one cannot force someone to be motivated. As Professor of Organizational Behavior at London Business School, Nigel Nicholson emphasized, “Change comes from within or not at all.”⁸⁶

Intrinsic Motivation Drives Sales Performance

The research has overwhelmingly demonstrated that the most productive people in any organization are those who are intrinsically motivated to strive for excellence.⁸⁷ Sales people who are intrinsically motivated want to surpass their sales goals, not because of their sales manager’s promise of reward or punishment, but for the sake of achievement. It bothers them when they do not sell. They do not need to have a sales manager coaxing them to make another sales call or urging them to work on improving

82. James M. Kouzes and Barry Z. Posner. *The Leadership Challenge: Fourth Edition*. (Hoboken, NJ: John Wiley & Sons Inc., 2007). p. 115.

83. Ibid. p. 173-174.

84. Bruno S. Frey. *Not Just for the Money: An Economic Theory of Personal Motivation*. (Brookfield, Vt.: Edward Elgar, 1997). p. 118 – 119.

85. J. Thackray. “Feedback for Real.” *Gallup Management Journal*, no. 1, Spring 2001. p. 12-17.

86. Nigel Nicholson. “How to Motivate Your Problem People.” *Harvard Business Review*, January, 2003.

87. Daniel Goleman. “What Makes a Leader.” *Harvard Business Review*, November – December, 1998.

their sales skills. These professionals crave success and they are willing to work tirelessly to achieve it.

David Mayer and Herbert Greenberg commented on this in their *Harvard Business Review* article, “What Makes a Good Salesman?” Their conclusions were that there are two primary qualities that successful sales people possess. One of the two qualities was what Greenberg and Mayer referred to as “ego drive.” An ego drive is the intrinsic desire to sell. It is when a sales person’s self-concept is linked with his or her sales success. Mayer and Greenberg describe a sales person with a high ego drive as an individual who “must make the sale; the customer is there to help him fulfill his personal need. In effect, to the top salesman, the sale – the conquest – provides a powerful means of enhancing his ego. His self-picture improves dramatically by virtue of conquest and diminishes with failure.”⁸⁸ Mayer and Greenberg state that this personal motivation is unlike selling merely for “the money to be gained.”⁸⁹

Elite performers are intrinsically motivated; for them selling is personal. It is not simply a job, it is who they are.

Psychologist Richard Boyatzis wrote about this drive to become “my ideal self.”^{90 91} This, Boyatzis maintains, is the motivation that one has to become the person he or she desires to be. Sales people who are intrinsically motivated feel that they must be successful at selling. Not being a top performer defies who they perceive themselves to be and as a result is unacceptable. These sales people will invest in their own training, and regardless of what sales force they are on they will work relentlessly until they rise to the top.

It is this intrinsic drive to become competent that renowned Harvard Professor David McClelland called achievement motivation.⁹² This urge to become a skilled sales person is an imperative because in today’s tumultuous, hyper-competitive marketplace, if sales people are not moving forward, they are falling behind. Consequently, continual improvement is no longer an option, it is now a prerequisite for survival.

Intrinsic motivation is also a key difference between top performing sales people and those who struggle. Elite performers are intrinsically motivated, whereas their lesser producing colleagues are not. The reason some sales people do not become a top performer is because they are not willing to put in the hard work necessary to develop their skill. Selling can be learned. However, it is challenging and there are no shortcuts to greatness.

- David Sandler acknowledged this when he proclaimed, “To get to the top of the sales profession, you’ve got to practice, practice, practice.”⁹³

88. David Mayer and Herbert Greenberg. “What Makes a Good Salesman?” *Harvard Business Review*, July – August, 2006.

89. Ibid.

90. Richard Boyatzis. “Self-Directed Change and Learning as a Necessary Meta-competency for Success and Effectiveness in the 21st Century,” in R. Sims and J. Veres (eds.), *Keys to Employee Success in the Coming Decades*. (Westport, CT: Greenwood Publishing, 1999).

91. David A. Kolb and Richard Boyatzis. “Goal-Setting and Self-Directed Behavior Change.” *Human Relations* 23, no.5, 1970. p. 439 – 457.

92. D. McClelland, J. Atkinson, R. Clark and E. Lowell. *The Achievement Motive*. (New York: Appleton-Century-Crofts, 1953).

93. David H. Sandler. *You Can’t Teach A Kid To Ride A Bike At A Seminar*. (4th Edition: Bay Head Publishing, Inc. 2003. p. 51.

- Malcolm Gladwell also comments on this idea when he confirmed, “People at the very top don’t work just harder or even much harder than everyone else. They work much, much harder.”⁹⁴

Motivation also impacts the continued development of selling skills.

- Neuroscientists have verified that learning and motivation are inseparable.⁹⁵
- One of the foundational principles of educational psychology is that people learn to the extent they are motivated.
- Behavioral scientists have found that to reach the upper echelons of a profession, a person must be intrinsically motivated to be successful.^{96 97}

For instance, researchers Uguroglu and Walberg conducted a meta-study of 40 different research studies in motivation and learning that included a sampling of over 637,000 participants.⁹⁸ These researchers identified a 98% correlation between those who were highly motivated and those who achieved distinction. Additional research studies have come to similar conclusions: the more intrinsically motivated a person is to learn, the more likely that person will learn.^{99 100}

Stop Trying to Motivate Sales People

The frank reality is that sales people who are intrinsically motivated are the only type of sales people a sales leader should have on his or her staff. Attempting to motivate sales people through an extrinsic motivation is a futile endeavor that contradicts the science of human motivation. Sales leaders need to stop asking the unproductive question, “How do I motivate my sales people?” Instead, the more pertinent question is “Why would you ever consider employing sales people who are not intrinsically motivated to sell?”

Think about it, what other profession has a manager who tries to motivate them to do their job? Does a doctor, lawyer or any other professional have to be motivated to perform their duties? So why do sales leaders try to motivate their sales people? The answer is because either they have demotivated

94. Malcolm Gladwell. *Outliers*. (New York: Little, Brown and Company, 2008). p. 39.

95. J. Zull. *The Art of Changing the Brain: Enriching the Practice of Teaching by Exploring the Biology of Learning*. (Sterling, VA: Stylus, 2002).

96. Daniel Goleman. *Working with Emotional Intelligence*. (New York: Bantam Dell, 1998). p. 106

97. V.C. Plaut and H.R. Markus. “The ‘Inside’ Story: A Cultural-Historical Analysis of Being Smart and Motivated, American Style,” in Andrew Elliot and Carol Dweck (eds.), *Handbook of Competence of Competence and Motivation* (New York: Guilford, 2005).

98. M. Uguroglu and H. Walberg. “Motivation and Achievement: A Quantitative Synthesis.” *American Educational Research Journal*, 16, 1979. p. 375 – 389.

99. P. Pintrich, D. Smith, T. Garcia and W. McKeachie. *A Manual for the Use of the Motivated Strategies for Learning Questionnaire (MSLQ)*. (Ann Arbor: University of Michigan, National Center for Research to Improve Postsecondary Teaching and Learning, 1991).

100. R. Wlodkowski, J. Mauldin and S. Gahn. *Learning in the Fast Lane: Adult Learners’ Persistence and Success in Accelerated College Programs*. (Indianapolis: Lumina Foundation for Education, 2001).

them through mismanagement or they have hired the wrong people. If a sales person is not motivated to sell, then clearly the profession of sales is not for him or her. That person should be set free so that he or she may find a profession that is in line with who they desire to be.

If sales leaders feel that they must tightly manage and constantly motivate their sales people then they have the wrong people on their staff. Management expert, Jim Collins boldly expresses this in his best-selling book, *Good to Great* when he affirms “Spending time and energy trying to ‘motivate’ people is a waste of effort. The real question is not, ‘How do we motivate our people?’ If you have the right people, they will be self-motivated.”¹⁰¹ Collins explains that “If you have the right executives on the bus, they will do everything within their power to build a great company, not because of what they will ‘get’ for it, but because they simply cannot imagine settling for anything less. Their moral code requires building excellence for its own sake, and you’re no more likely to change that with a compensation package than you’re likely to affect whether they breathe. The good-to-great companies understood a simple truth: The right people will do the right things and deliver the best results they’re capable of, regardless of the incentive system.”¹⁰²

It is essential that sales leaders only hire those who are intrinsically motivated to sell (*for more on how to accomplish this see the Hoffeld Group’s Competence Hiring Method®*). Bruno S. Frey and Margit Osterloh address this in their article, “Stop Tying Pay to Performance,” which was published in the *Harvard Business Review*. Frey and Osterloh state, “One way to select employees more carefully, hiring people who are truly interested in the work – not people whose primary goal is earning the highest pay.”¹⁰³

If sales leaders hire sales people who have an inner drive to be top performers, then a manager’s job is to simply give them the tools to do their job. Motivating them is no longer a concern.

The research overwhelmingly suggests that motivation must be focused upon who a sales person is, not what a sales manager does. Consequently, sales leaders should focus on leveraging the intrinsic motivation that their sales people possess and not demotivate them through poor management. As Nigel Nicholson wrote to managers, “Your job is to create the circumstances in which their inherent motivation – the natural commitment and drive that most people have – is freed and channeled toward achievable goals.”¹⁰⁴

Conclusion

For far too long, sales leaders have attempted to motivate sales people through the extrinsic motivators of the carrot and the stick. However, these extrinsic motivators have been proven to do more

101. Jim Collins. *Good to Great*. (New York: HarperCollins Publishers, 2001). p. 89.

102. Ibid. p. 50.

103. Bruno S. Frey and Margit Osterloh. “Stop Tying Pay to Performance.” *Harvard Business Review*, January - February, 2012. p. 52

104. Nigel Nicholson. “How to Motivate Your Problem People.” *Harvard Business Review*, January, 2003.

harm than good. It is time that sales leaders embrace the truth of science and discard these antiquated and ineffective motivational strategies.

Science has proven that intrinsic motivation is the only reliable form of motivation. When sales leaders feel the need to motivate their sales people, the evidence shows that they do not have a motivational problem, but a management problem.

An unmotivated sales person is a symptom of inept management practices.

- ✓ A sales person may be unmotivated because he or she is not intrinsically motivated to be a sales person. In this case, the sales leader has made a poor hiring decision and has invited someone onto his or her sales team who should not be in the profession of sales.
- ✓ Sales people become unmotivated due to mismanagement. Make no mistake, a bad sales manager can demotivate the most ego-driven sales person on the planet. It is these two forms of mismanagement that cause sales leaders to feel that they must “motivate” their sales people.

Sales managers must stop trying to motivate their staff and instead focus on hiring the right people who are intrinsically motivated to sell and then not demotivate them through poor management. If sales leaders will adopt this model, then motivating sales people is a non-issue.

Having motivated sales people is essential to the health of an organization. Through leveraging the natural intrinsic motivation of sales people and not falling prey to using destructive extrinsic motivators, sales leaders will create an environment that will allow sales people to thrive. When this occurs, sales production skyrockets, frustration melts away and sometimes careers are even reborn. Therefore, the choice is clear: the carrot and the stick must go.

About the Author

David Hoffeld is CEO of the Hoffeld Group, a research based sales training, coaching and consulting firm that is the leader in the integration of proven science and sales. The Hoffeld Group takes the repeatable and predictable principles, which science has proven to create and enable influence, out of the laboratory and academic journals and apply them to selling. For a deeper look at the Hoffeld Group’s groundbreaking research and innovative sales strategies visit HoffeldGroup.com.