
Happy teams are more productive
and managers should find joy at work, too!

Managing for Happiness

Games, Tools, and Practices to Motivate Any Team

Jurgen Appelo

“Jurgen's book is practical and fun, but most of all, it's subversive. If you care enough to get started, you'll discover that these tools will transform everything about your organization.”

Seth Godin, The Icarus Deception

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Engage people, improve work, and delight clients: These are the tenets of this amazing book, which will show you how to transform the entire layer of management in your organization

into a wellspring of creativity, productivity, and engagement. Excellent!

Marshall Goldsmith

A Thinkers Top 50 Expert, Top Ten Global Business Thinker, and top-ranked Executive Coach Jurgen's book is practical and fun, but most of all, it's subversive. If you care enough to get started, you'll discover that these tools will transform everything about your organization.

Today, all managers are marketers. You need to sell your ideas, your plans, and your solutions.

Seth Godin

Managing for Happiness sets you on a path to success in a world where we are each responsible **Author of *The Icarus Deception***

for managing our own career and our own contribution to the world.

Penelope Trunk

Brilliant, counterintuitive, and creative approach to management. Very insightful and hu

Author of *Brazen Careerist: The New Rules for Success*

manistic. Highly recommended!

Derek Sivers

How do you become one of the best managers in the world? Sports professionals would hire

Founder of CD Baby, *TED* speaker, author of *Anything You Want*

a good coach and exercise daily. *Managing for Happiness* from Jurgen Appelo is your personal coach who gives you tons of exercises and practical advice for the modern manager. The only *Managing for Happiness* is the best walkabout in a constantly evolving landscape of thing you need to add is the daily exercising.

management.

Tobias Leisgang

Tomas Rybing

Systems Engineering Manager at Texas Instruments

Director Project Management at Aptilo Networks

In a rapidly changing world where predictable Newtonian doctrine is no longer up to the chal In our always-on, real-time world, the nature of work has changed, potentially for the

lenges being placed on managers, Jurgen Appelo's timely book provides an incredibly accessi better. While people can be more autonomous and more productive, they can also self-de

ble leap into the thinking that is likely to define the manager of tomorrow.

struct easier. Jurgen tackles these important changes in his fun and interesting book.

Deane Sloan

David Meerman Scott

Chief Technology Officer at Equinox IT

Bestselling author of *The New Rules of Marketing and PR*

Want to know what the next stage of management may look like? Do yourself a favor and take

Don't wait for managers to fix management problems around you. Be the manager of your

a look at *Managing for Happiness* by Jurgen Appelo. Chock full of management nuggets as well own fate and take action instead! This insightful book will not only help you get on the right as exercises and activities, *Managing for Happiness* provides insights into how to engage the track, but will also teach you how to enable people around you so that you can create a next-generation workforce.

better working environment for yourself.

John Baldoni

Kamil Posiadala

Author of *MOXIE: The Secret to Bold and Gutsy Leadership*, Chair of Leadership Development at Agile Software Developer

N2Growth

Do you want a feel-good book about management? Enjoy reading *Managing for Happiness*.

Every chapter is full of aha! moments. I read it in public transport, and I reached the office with a smile and great ideas to improve the workplace.

Jeanne Estelle Thebault

If management is too important to leave it to managers only, then the agile management

President of Montreal IIBA Chapter

practices described by Jurgen Appelo in this book are way too valuable to apply them only to the IT environment. Motivated, nimble, and versatile teams are a pillar of success in today's Steering a software factory team of 700 people, I'm confronted every day with the challenge world of financial services. You will find out how to build them from this book!

to unleash the best out of our people and our teams in order for happy customers to receive **Tomasz Sitkowski**

high-quality software every two weeks. This book provides our teams with insights, tools,

Acting CRO at mBank CZ/SK

stories, games . . . to keep our people doing the right thing right, with passion.

Johan Lybaert

As the current generation enjoys work-life integration, people will look and respond to “lean **Director of Applications Europe at Cegeka**

forward” management. *Managing for Happiness* will provide a complete guide to step out of the office and contribute to a culture of success as a goal while having fun as your journey.

Do you dream of a management more adapted to the complexity of our world? Great news,

Sebastián Diéguez

this is a reality! *Managing for Happiness* by Jurgen Appelo is the toolbox of the agile gardener **Agile Coach and Evangelist**

who promotes collaboration, builds the team around common values, grows skills, and moti

vates his coworkers. You now have the keys to change the world. Like me, read this inspiring Many authors make claims, but Jurgen Appelo delivers on them. He offers a combination of

book and cultivate happiness in your organization.

crisp, articulate thoughts in an easy, engaging read. If you're looking for actionable advice **Loïc Leofold**

that will help you build a better, stronger, and more productive relationship with those you **AGILE and Management Consultant at Astrakhan**

lead, then I'd highly recommend you read Jurgen's book.

Mike Myatt

Leadership is hard to get right, but with a decent set of tools and exercises, the job is im **Author of *Hacking Leadership*, a *Forbes* leadership columnist, and founder at N2Growth** measurably easier. This book offers those tools, exercises, and above all, insight into how a twenty-first century manager behaves. Work and the workforce are fundamentally different

There's another way to envision management. In this book, Jurgen Appelo is offering practice compared to how they were even a decade ago, and Jurgen's book helps engage and enthuse

es and exercises you can easily try, to change your own environment. While developing your

the reader to become a better manager and lead their team to success.

management talent, you will say, like me: Thank you, Jurgen!

Mike Pearce

Alexis Monville

[Development Manager at MOO.com](#)

Chief Agility Officer at eNovance, Cofounder of Ayeba

Cover design: Linda Hirzmann

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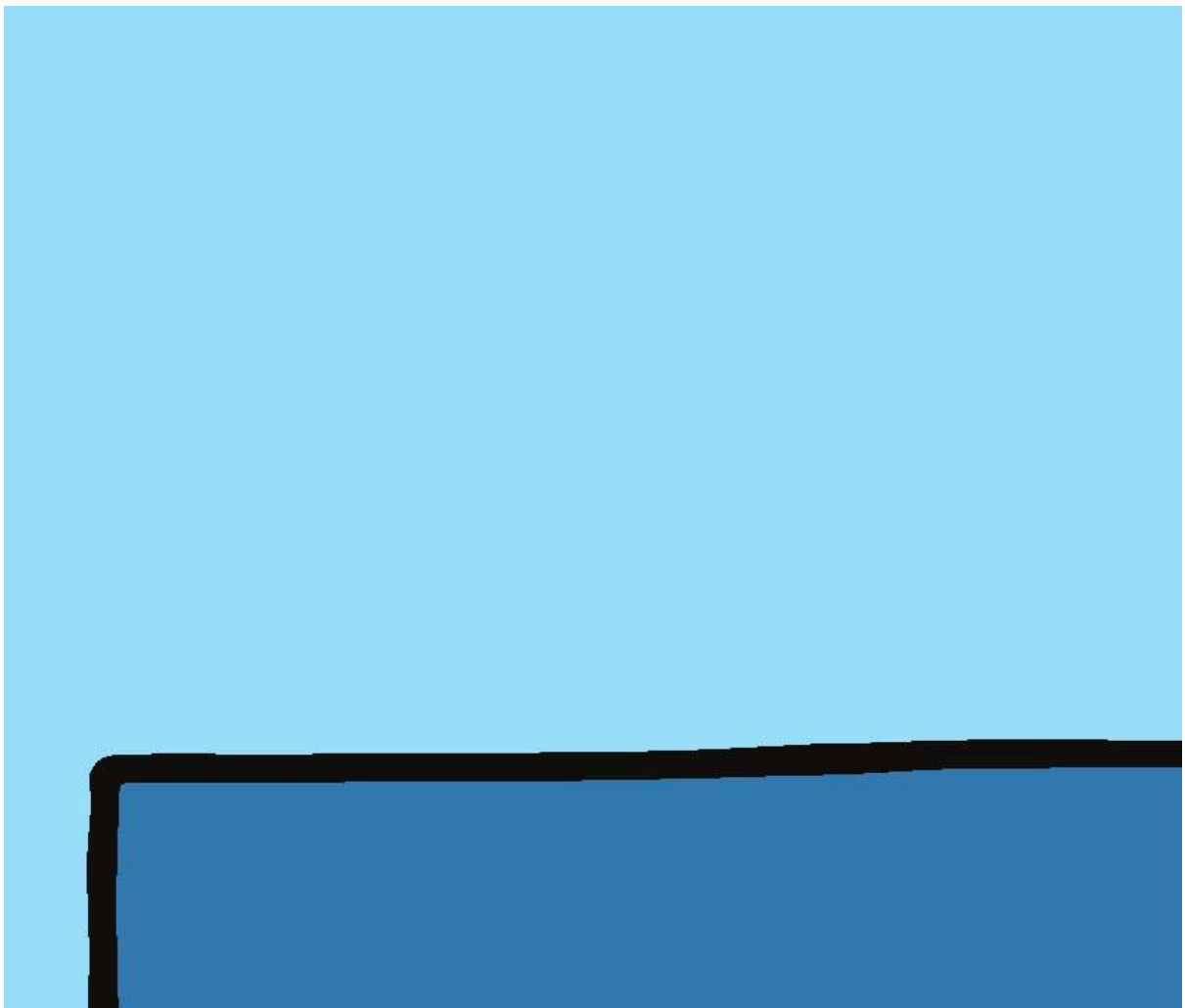
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Managing for Happiness

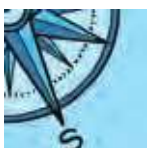
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Jurgen Appelo









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Empower Workers with Clear Boundaries

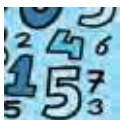
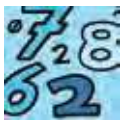
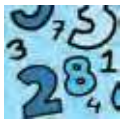
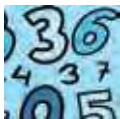
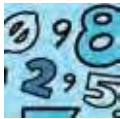
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Preface: Better Management for Everyone

I once tried to motivate
an employee to improve
his performance and
productivity by giving
him a smaller raise than
his peers on the team. It
didn't work. The situation

Good ideas are not
actually got worse, and
adopted automatically.

in a typical example of

They must be driven into
the-universe-hates-all-mypractice with courageous
best-intentions, ultimately
patience.

the whole team was

Hyman Rickover,

American admiral

affected by demotivation

(1900–1986)

and resentment.

ix

CE A

In my defense, the work this employee had produced was terrible. Last year, one of the members of my current team said to me, “You PREF

As his manager, I had to deal with the complaints, threats, and abuse are the first manager I’ve had who doesn’t suck.” She meant that as a by customers over the quality of our services—or lack thereof—and I compliment. This was 20 years after I made a complete mess of team was feeling quite desperate. I had to do something! So I did, but it was motivation. Now I am proud to say that my current team members the wrong approach. And because nothing ever worked, I hated being are happy, motivated, and quite productive. And as their manager, HAPPINESS

a manager.

I don’t suck. That’s a relief.

FOR

That was 20 years ago.

This is a management book for everyone: developers, artists, writ

GING

ers, team leaders, middle managers, designers, project managers,

As a manager, you have to make choices. You cannot just let demoproduct managers, human resource managers, marketers, testers, MANA

tivation among your team members run its course. You have to do coaches, mentors, consultants, trainers, facilitators, entrepreneurs, something! This book will help you to do things. It contains a numand freelancers. Everyone

is, to some degree, responsible for manber of great practices and exercises for teams and managers in the agement activities. This book tells you how you can implement better twenty-first century. Most are borrowed from other people who management, possibly with fewer managers, by looking at what other often did a much better job at motivating their colleagues than I companies in the world have been doing. They have paved the way for ever could, and they became great managers of teams. Fortunately, the rest of us!

I dared to run some experiments of my own and had a couple of small

successes too. Therefore, some of the ideas presented here are my Read this book and squeeze 20 years of struggle for me into a few own simple inventions.

days of learning for you. I will show you how you can get a happier

organization thanks to great practices and plenty of management ac

I started loving management when I decided to stop inflicting bad tivities that, in many cases, don't even require managers.

management practices upon my coworkers. I manage the worldwide

Happy Melly business network, the global Management 3.0 licensing And maybe it will take me another 20 years of running management program, my speaking engagements, and everyone who is somehow experiments to actually become really, really good. I hope you will join involved with my articles, books, and courseware. I don't pay any of me on that journey.

these people an annual bonus in order to get things done; I don't have

vacation policies, flextime policies, or open-door policies; and none of

Jurgen Appelo, December 2015

my contacts need to fear that I will require an annual performance ap

jurgen@noop.nl

praisal. Interestingly enough, the Management 3.0 facilitators, Happy

Melly members, and many others I work with are highly engaged, love

improving their work, and are eager to learn how to delight their clients. How is that possible without organizing regular one-on-ones in my private office

with each and every one of them?

No managers were harmed while writing this book.



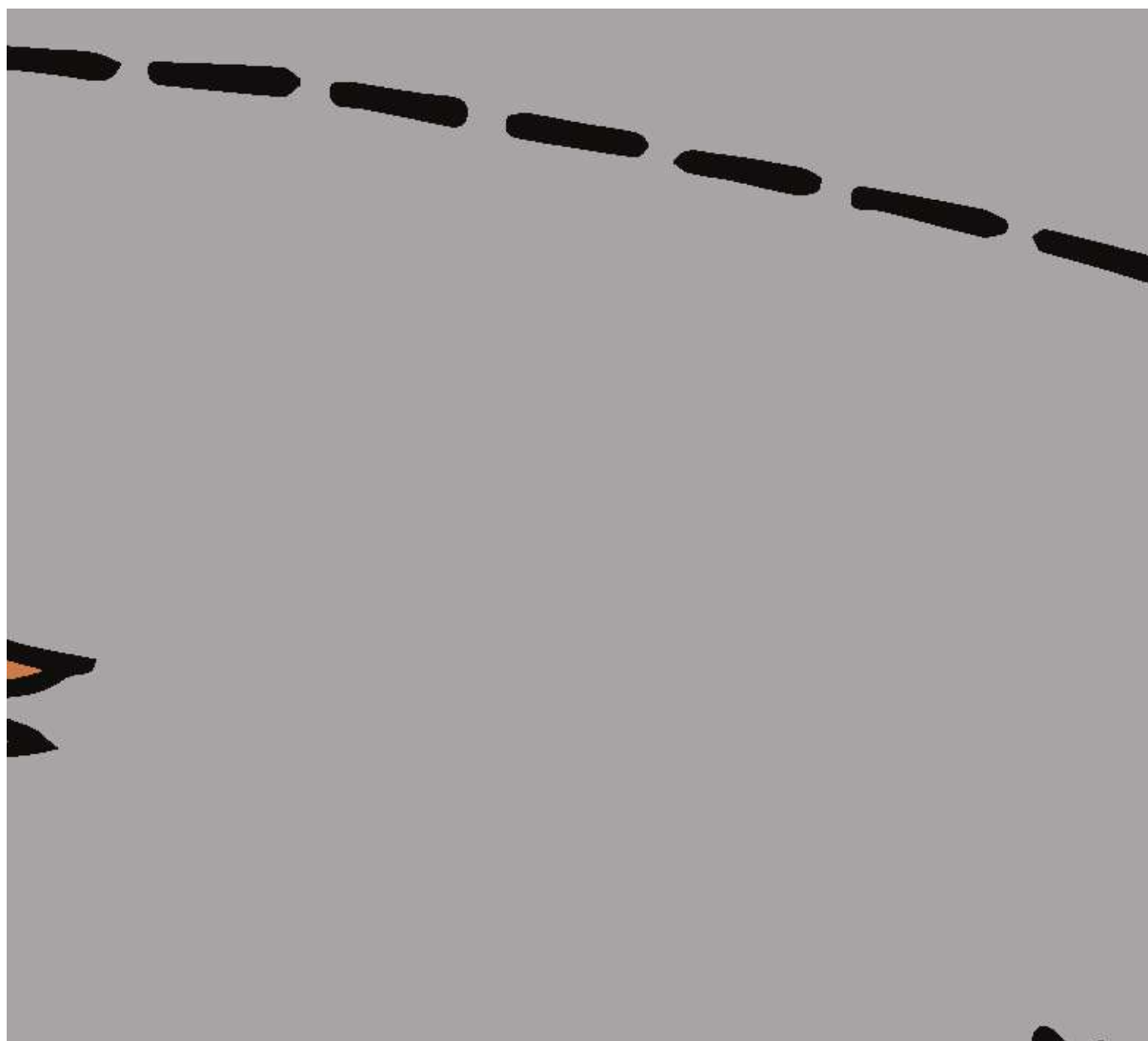
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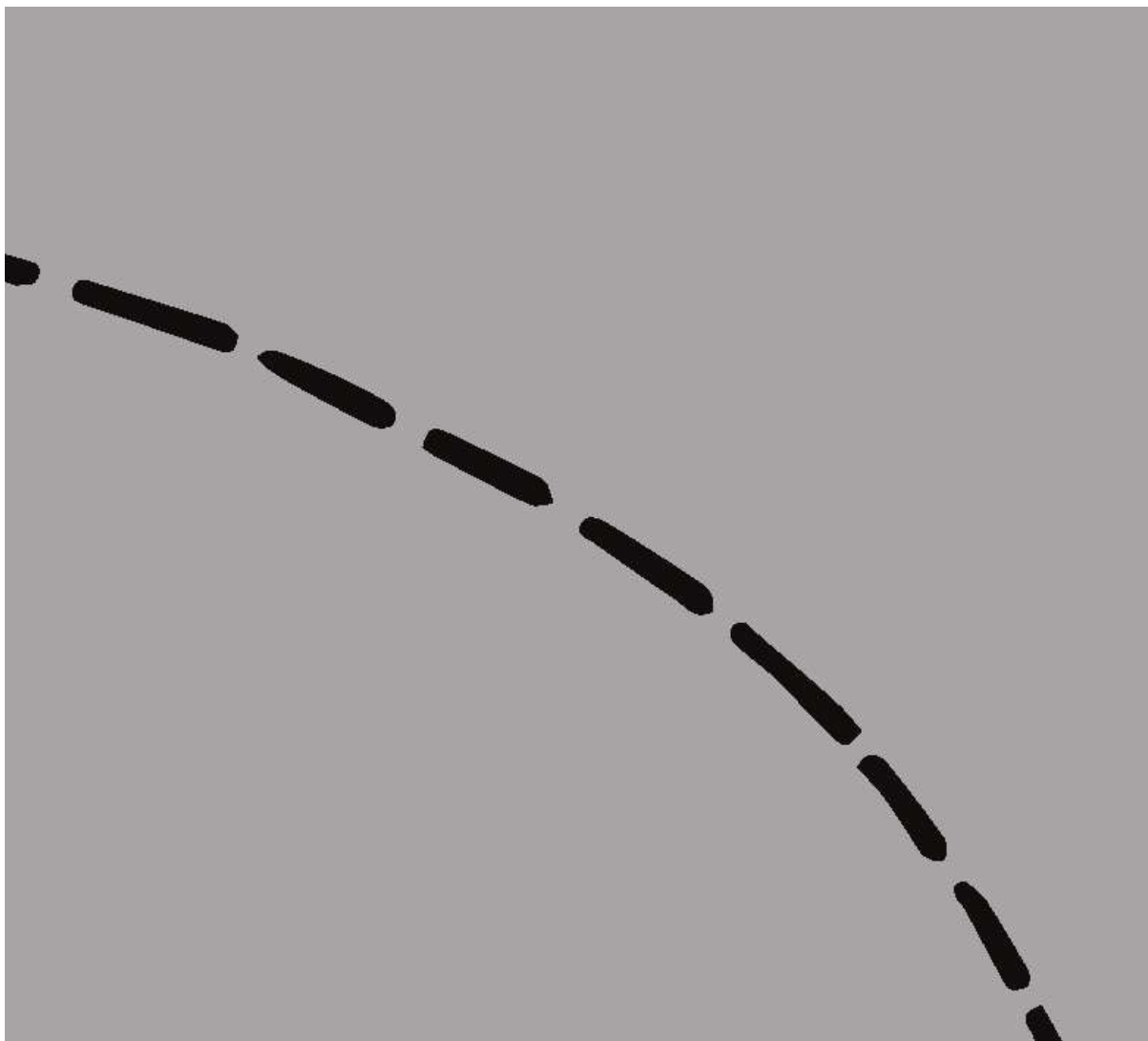


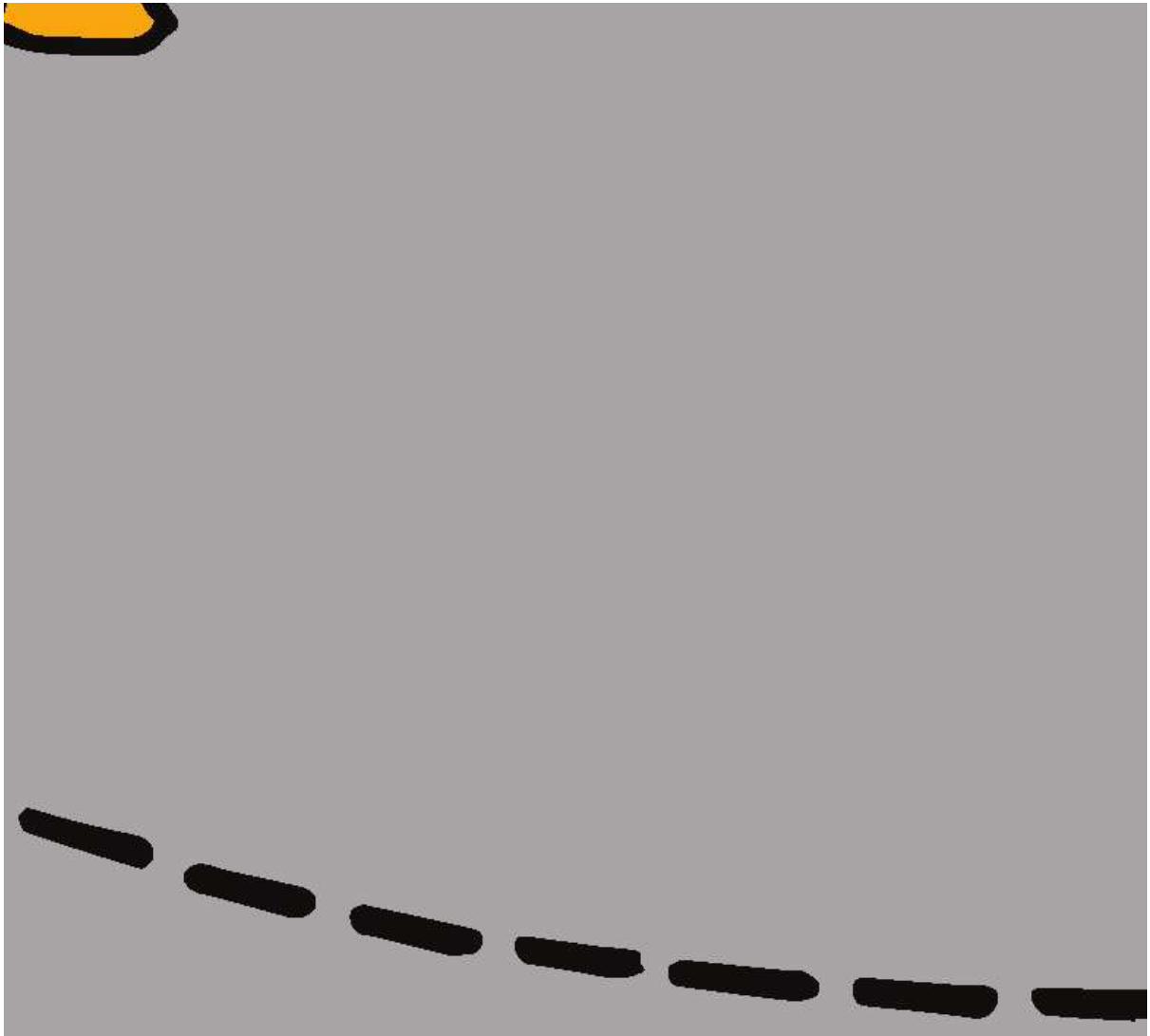


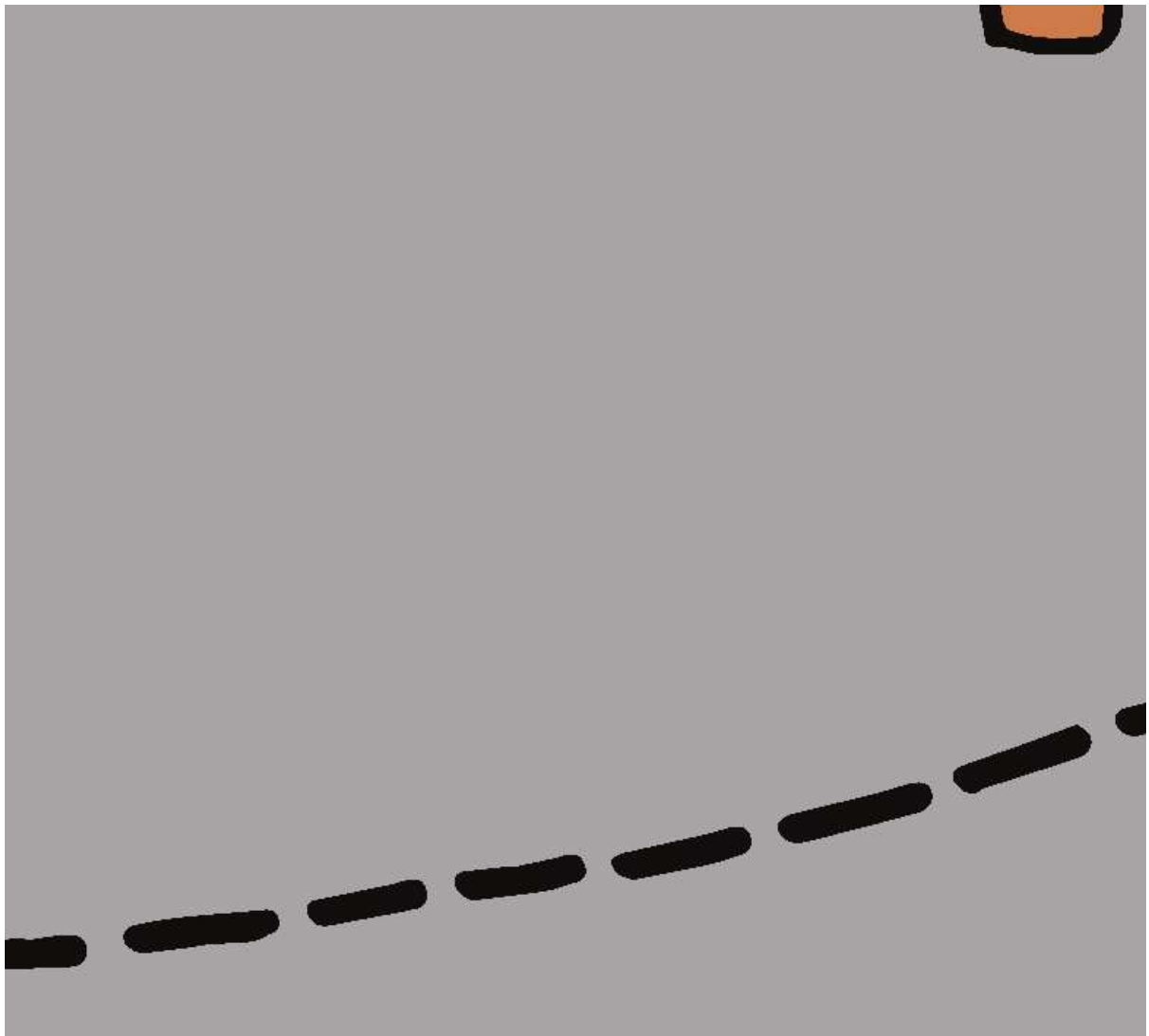
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Title

introduction

What Is Management 3.0?

2

When an organization's
culture is bad, don't just
blame the managers.

Happiness in an
organization is everyone's
responsibility. Better
Contrary to what I
management means
believed as a little girl,
engaging people, improving
being the boss almost
the whole system, and
never involves marching
increasing value for clients.

around, waving your
For most people, however,
arms, and chanting, "I am
these principles are not
the boss! I am the boss!"
enough. They need concrete

Tina Fey,

American comedian

practices or, in other

(1970–)

words, regular exercises.

two management books, giving 80 management courses in 30 countries, and speaking The term *creative worker* is an alternative to *knowledge worker*,

at almost 100 conferences worldwide, some

of them about management. I've noticed that

which is a bit outdated in my opinion. I prefer this new term

most leaders don't know how to solve their

management problems and most knowledge

to emphasize that many people work nowadays in the *creative*

workers, such as engineers, teachers, consultants, and designers, don't realize that they

economy 2 and they collaborate in networks, not in hierarchies.

are also (to some extent) responsible for

management stuff. I firmly believe that, like

(I will elaborate on this throughout the book.)

keeping the noise down, the files organized,

the meeting room tidy, and the customers

happy, management is *everyone's job*. At one

time or another, we all fit the description of

A creative worker is a person who creates or grows unique

[manager.1](#)

value within a network of people, or someone who creates

I am pleased to say that, of all the participants in my public workshops, fewer than

or grows the network in an original way for others to share

20 percent considered themselves to be

managers. The other 80 percent were us their value. Even better, it can be a person who does both!3

ally developers, coaches, consultants, entrepreneurs, team leaders, and other kinds

The term *knowledge worker*, on the other hand, implies that

of **creative workers** (see sidebar). This wide

diversity of participants shows one of two

people add value only with their knowledge. It does not imply

things: Either management is an activity that

is relevant to many more workers than just

creativity or the ability to network.

managers, or I am extremely bad at targeting

the correct audience for my courses. I prefer

the former interpretation!

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4

For two years, I kept track of the questions that participants from all

over the world asked me during these management workshops. I have

a box with nearly 2,000 colorful sticky notes expressing an equal number of colorful and sticky problems.

Many issues in the box are the

same or similar and were reported to me almost everywhere I went.

These are the questions I encountered most often:

The focus of this book

- How can we motivate our workers?
- How can we change the organization's culture?
- How can we change the mindset of managers?

The improvement of a person's approach to manage

- How can we get teams to take responsibility?
- How can we improve teamwork and collaboration?

ment is my focus in this book. I want to show all cre

- How can we get managers to trust their teams?
- How can we develop people's competencies?

ative workers, including designers, middle managers,

- How can we be agile when the organization is not?

project managers, mentors, trainers, freelancers, and

Notice that *all* these questions, except the last one, are asking, "How

can we change *other* people?" This attitude is a reflection of the traothers, what they can do to change the way their coldtional approach to management: one person manipulating the behaviors of others. But what if all these management problems were laborative work is managed. You don't have to solve

simply the outcome of an incorrect interpretation of management?

When everyone is trying to manipulate everyone else, should we be

all the problems mentioned earlier. If you choose to

surprised that problems never go away and that new ones keep popping up? When people don't focus on improving *themselves*, is it any have a different

view of management, the problems

wonder they're always complaining about *each other*?

can resolve themselves. And you don't need to wait

I often ask audiences if they have heard about global movements, improvement methods, or innovative management practices, and usually for permission from the managers. Change yourself, only a few hands go up. But when I ask them if their organization's

culture needs to change, almost everyone says yes! It seems that few

inspire others, and enjoy the book!

people learn, but most find fault in how their colleagues work. Perhaps they could change the culture together if they just start learning what has already been tried successfully elsewhere. Maybe they could stop reporting problems when they stop manipulating each

other and instead start to improve themselves.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5

The misery of workers worldwide (managers included) is personified by the fictional character of Melly Shum, who has hated her job for almost 25 years. Melly is depicted on a huge billboard in my hometown of Rotterdam, the Netherlands.

She sits in her office, looks into

ODUCTION

the camera with a thin smile, and has not stopped working since 1990

INTR

(except for a brief vacation in 2013 due to office maintenance, after which she returned to work on another floor). Melly Shum, imagined and realized by artist and photographer Ken Lum, is for me *the* symbol for all workers who feel disengaged and unhappy about their

HAPPINESS

organizations but who don't feel ready to quit their jobs. According

FOR

to several studies, this situation accounts for about two-thirds of the global workforce.^{4,5,6}

GING

MANA

The happiness of managers and other workers is crucial because [happy people are more productive.](#)⁷ I firmly believe we can only improve worker happiness when everyone feels responsible for man

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agement and learns to manage the system instead of managing each

<https://www.flickr.com/photos/faceme/8345123691>

other. The only reason people suffer from bad organizations is that they don't stand up to say, "I'm not taking this any longer; go boss

If your best exper

yourself!" It troubles me that, when I ask people for their favorite

iences in lif

moments in life, they usually only list things that happened in their
e

personal time. But if your best experiences are all vacations, then
are all vacations,

maybe you shouldn't return to work tomorrow.

then maybe you shouldn't

return to work

tomorrow.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Doing the Wrong Thing

The reason I travel a lot is that I give presentations and workshops to do work and not for Skyping with friends, Facebooking diary entries almost every continent about modern management in the twenty-firsts, or Photoshopping baby pictures. The crucial and ethical part of

first century. Some people have said that the advice and practices this practice, it is claimed, is to let everyone know that they're being I share are simply common sense, and I might even agree. Unfortu-

[watched.10](#) In this case, the assumption is that managers can keep eventually, as many before me have observed, common sense is not comeryone's trust only when they are honest about not trusting anyone.

mon practice. Common practice for me is eating giant bags of M&Ms

while watching a movie; common sense would be to watch my health *sigh*

and eat only the green ones. For organizations, common practice is

that they are managed like machines, with their workers treated as It is interesting to note that these examples were all delivered to my gears and levers. I call this **Management 1.0**. In this style of manageonline news reader on *one single day*. Imagine the volume of nonsense ment, people assume the organization consists of parts and that imthat floods workers over the span of a year, or during a lifetime!

provement of the whole requires monitoring, repairing, and replacing For me, such articles are a clear sign that treating employees like those parts. We can find Management 1.0 everywhere around us.

adult human beings might be common sense, but it is not common

practice. On the other hand, it is a great opportunity for anyone who

For example, some writers suggest that “winner-take-all” organizations try to make the world of work a better place. There’s obviously plenty to do!

achievements and give more work to the organization’s “best performers” while getting rid of the bad ones.⁸ These writers seem to

assume that the community of employees is better served with competition and politics than with collaboration and a shared purpose.

Other writers suggest that employees have a tendency to “slack off” when the boss is on vacation. After all, “When the cat’s away the mice

Treating employees

will play!” Therefore, the boss should return to the office regularly to peek around the corner and check which of the mice are laborlike adult human beings

obviously sweating on the treadmill and which ones are partying with the cheese.⁹ It seems the assumption here is that work-life balance is bad

might be common sense,

and that nobody is needed to check the “work” of the cats.

Further extending this idea, other writers suggest that bosses should but it is not common practice.

continuously monitor whether people are actually using office tools

Doing the Right Thing Wrong

INTRODUCTION

Fortunately, some people have learned to do better. In a **Management** tools that require people to give anonymous feedback about each

INTRODUCTION

Management 2.0 organization, everyone recognizes that “people are the most other.

Trust breaks down completely because managers are allowed valuable assets” and that managers have to become “servant leaders” to know more about employees than employees are allowed to know while steering the organization from “good to great.” These are about each other, which emphasizes that managers are more importantly interesting ideas, but sadly, managers often use the wrong talent than nonmanagers.

HAPPINESS

approach. They correctly understand that improvement of the whole

FOR

organization is not achieved by merely improving the parts but, at the same time, there’s also not much wrong with the idea behind **balanced score**

same time, they prefer to stick to the hierarchy and have a tendency [cards. 13](#)
The problem with measurements is that one metric easily

to forget that human beings don’t respond well to top-down control leads to sub-optimization (improving one part of the work while

and mandated “improvements.”

minishing another part), and therefore you need multiple perspectives to have a more holistic view of the organization’s performance.

One of these good ideas is that managers should have regular

one-on-ones [with employees.11 It’s an idea I feel positive](#) about—it acknowledges that management is about human beings and that

Managers are allowed

managers must seek ways to help people find their true calling and achieve great results together. Unfortunately, many managers don’t see that they should manage the system around the people, not the people to know more about employees

people directly, and that they should leave micromanagement to

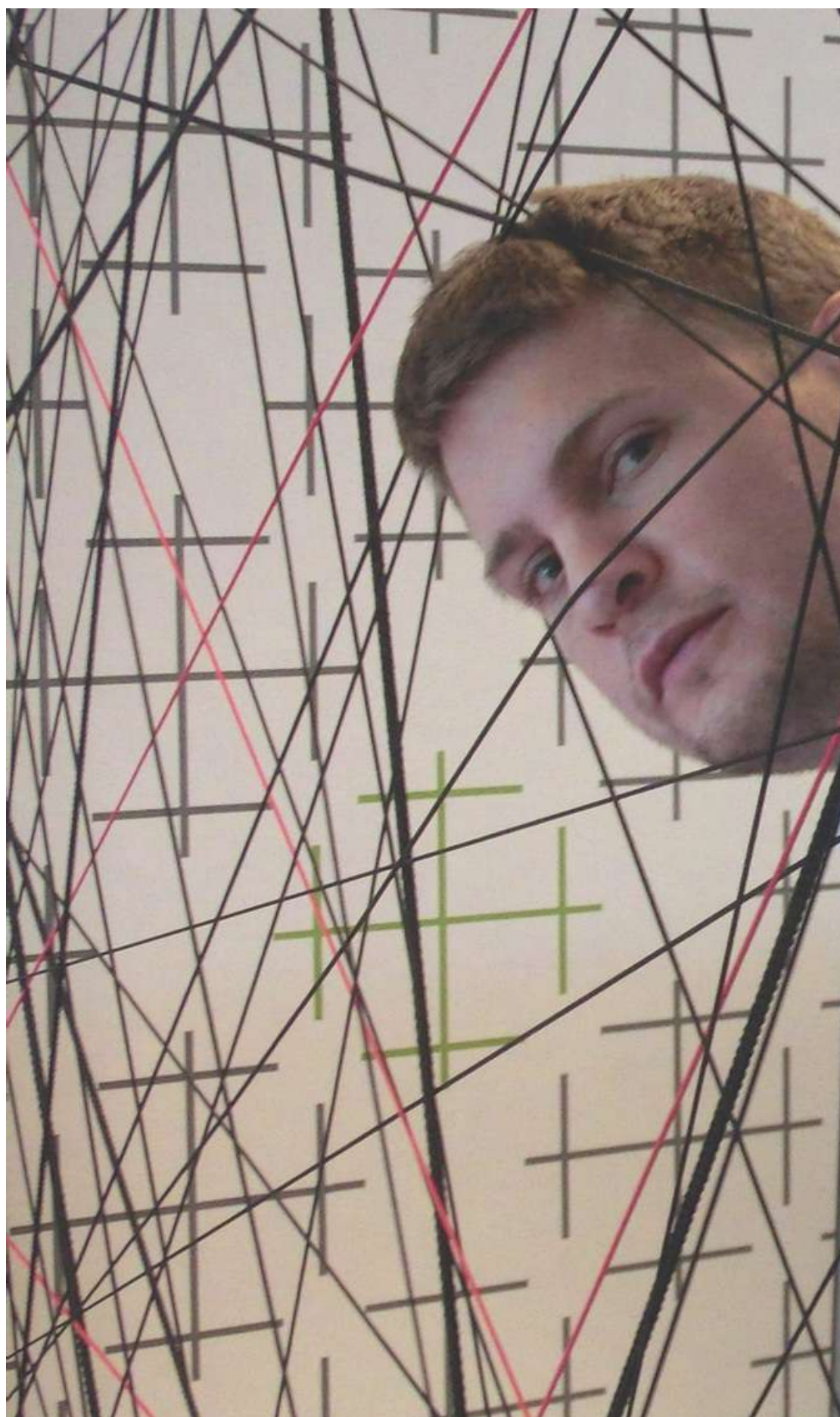
the teams. Instead, they use one-on-ones for individual goal-setting, than employees are allowed and they follow up later by asking people for status updates—both of which only *reinforce* the superior-subordinate relationship that is to know about each other.

typical in all command-and-control organizations.

The suggestion to organize **360-degree feedback** is also quite rea

[sonable.](#)¹² [The issue is that managers are not independent observers.](#)

Unfortunately, when managers continue to view the organization as They cannot objectively assess the performance of individual people, a hierarchy, they usually try to impose goals and metrics on every part and therefore evaluations should be provided from multiple perof the system. But in complex systems, performance is usually found spectives. Unfortunately, some people don't realize that the method in the relationships between the parts, and proper goals and metrics they use to evaluate performance will influence that performance. can only emerge from intelligent local interaction, not as part of a top-And thus HR departments install electronic performance appraisal down target-setting framework.



I could go on and on discussing the positive ideas behind *servant leadership*, *total quality management*, the *theory of constraints*, and many more management models. All of them have undoubtedly helped

organizations move away from Management 1.0, which is good. Management 2.0 organizations are at least *trying* to do the right thing.

But they do some of those things the wrong way because they're still stuck with a hierarchical view of organizations. They adopt good ideas but force-fit them onto a bad architecture. This is primarily why the good ideas rarely stick and why fads and fashions fail to deliver on their promises and will always be replaced one after the other.¹⁴

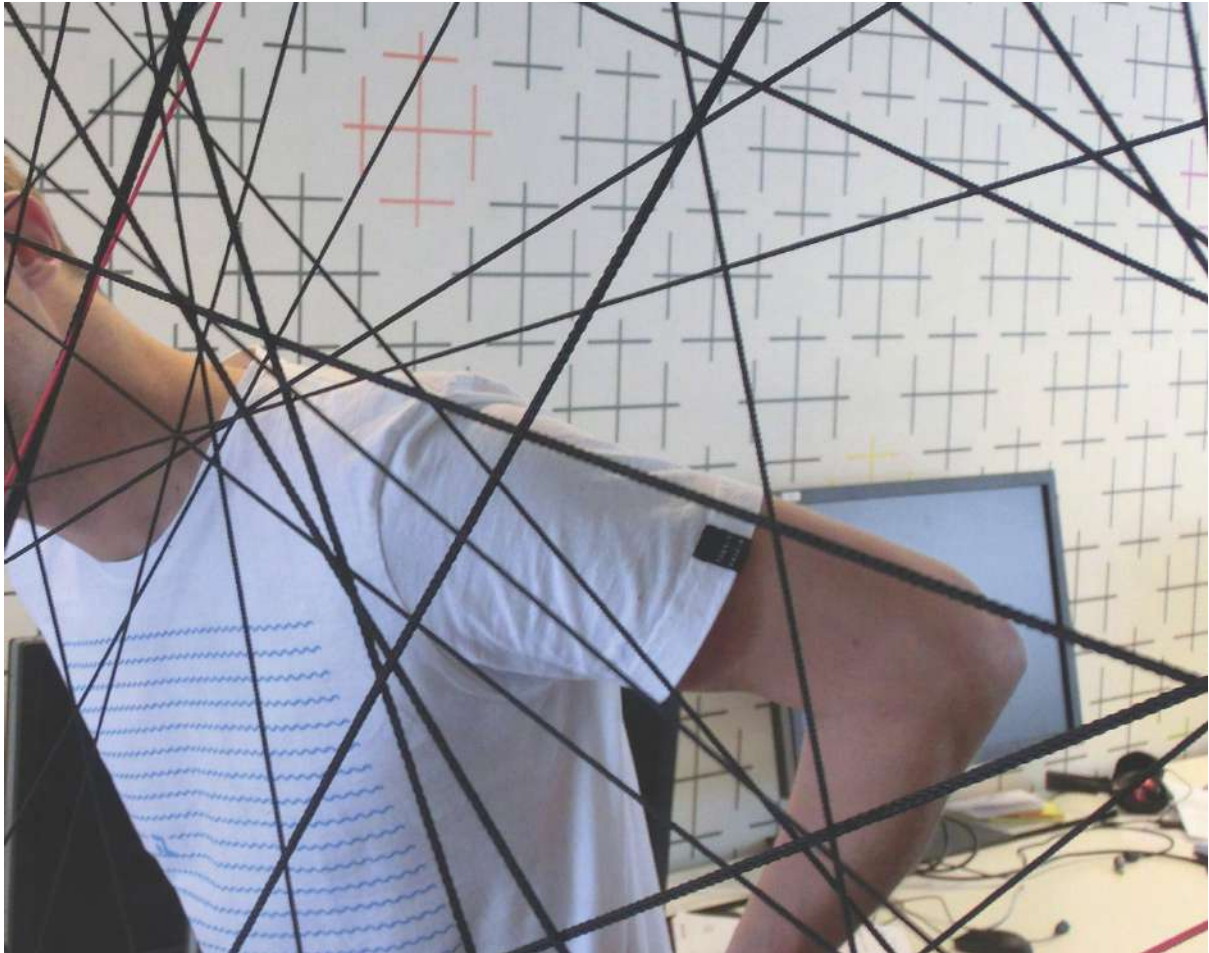
The only effect consistently achieved across all ideas implemented by bosses is that they *reinforce the position of the boss*.

The essential flaw of TQM [total quality management] is that, when implemented, it tends to reinforce the mechanistic and hierarchical models that are consistent with the mental maps of most managers.

Chris Argyris,

***Flawed Advice and the Management Trap*, loc:359**

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No Control

What are
complexity

Do managers need to be smarter than nonmanagers? Recently, I
got involved in an interesting e-mail discussion about the question
thinkers?

of whether management work requires smarter people. It is a regularly
occurring topic. The reasoning is usually that managers have a higher role
than other workers, overseeing a bigger part of the or

The study of *complexity science* investigates

ganization, and therefore their work involves more complexity. The

increased responsibility suggests the need for them to be smarter

how relationships between parts of a complex system (such as an ecosystem or an

plex system (such as an ecosystem or an

It sounds reasonable. It's also nonsense.

economy) give rise to the collective behavior

Scientists seem to agree that the human brain is one of the most complex systems in the universe. Together with the complexity of the rest of that system, and how the whole system of the human body, this makes each human being very, very complex.

The *law of requisite variety*, probably the most famous law among complexity thinkers (see sidebar), says:

systems thinking represents the process of

understanding how human systems (including

If a system is to be stable, the number

ing people, teams, and organizations) be

of states of its control mechanism must

have, interact with their environment, and

be greater than or equal to the number

influence each other. A *complexity thinker* applies

of states in the system being controlled.

plies both: insights from scientific research

Wikipedia, "Variety (Cybernetics)"

into complex systems and understanding of

the workings of social systems.

Some people claim that the law of requisite variety is as important. With hundreds of patients and workers in the hospital, the complexity to managers as the [Laws of Relativity are to physicists](#).¹⁵ The Law of it is astounding. Nobody can ever claim to “control” the hospital. Requisite Variety requires that anything that controls a system must be *indeed* the law of requisite variety would demand that there be *at least as complex* as the system being controlled. When we transfer at least as much complexity in the director’s brain as the complexity of this management work, it means the manager of a system must

ity of everyone else combined! Obviously, this is not a reasonable
operate at a similar or higher level of complexity than the system, in
requirement. With a complex system, there is no such thing as central order to
fully control it.

control. The director ignores a tremendous amount of complexity
and only focuses on the things she considers important. The rest is all

That idea makes sense, but there's a caveat. When I am the manager
delegated to smart creative workers. In fact, the work of the director of a
group of people, I can never have more complexity than this could be *less*
complex than that of a nurse!

complex system of human beings (which includes all their complex
interactions). It's just impossible!

The problem here is the word *control*. We shouldn't use it in a social
context. People are not thermostats! Instead, we should use terms

With a complex system

such as *lead*, *coach*, *inspire*, *motivate*, *constrain*, *govern*, and *help*. By using
these words we work our way around the law of requisite variety there is no
such thing

because we choose to ignore part of the system's complexity.

as central control.

For example, a surgeon treating a human heart chooses to ignore a
significant part of the complexity of the human body. He focuses only

on the heart. Not the hands, not the brain, not the tonsils, and not the

hemorrhoids—just the heart. That's his job. In fact, during an operation the
surgeon might ignore so much complexity of the human body that his job
could be called merely difficult, but not complex. However, the nurses who
handle the patient before and after the operation

focus on the patient's well-being, which is definitely a complex matter.

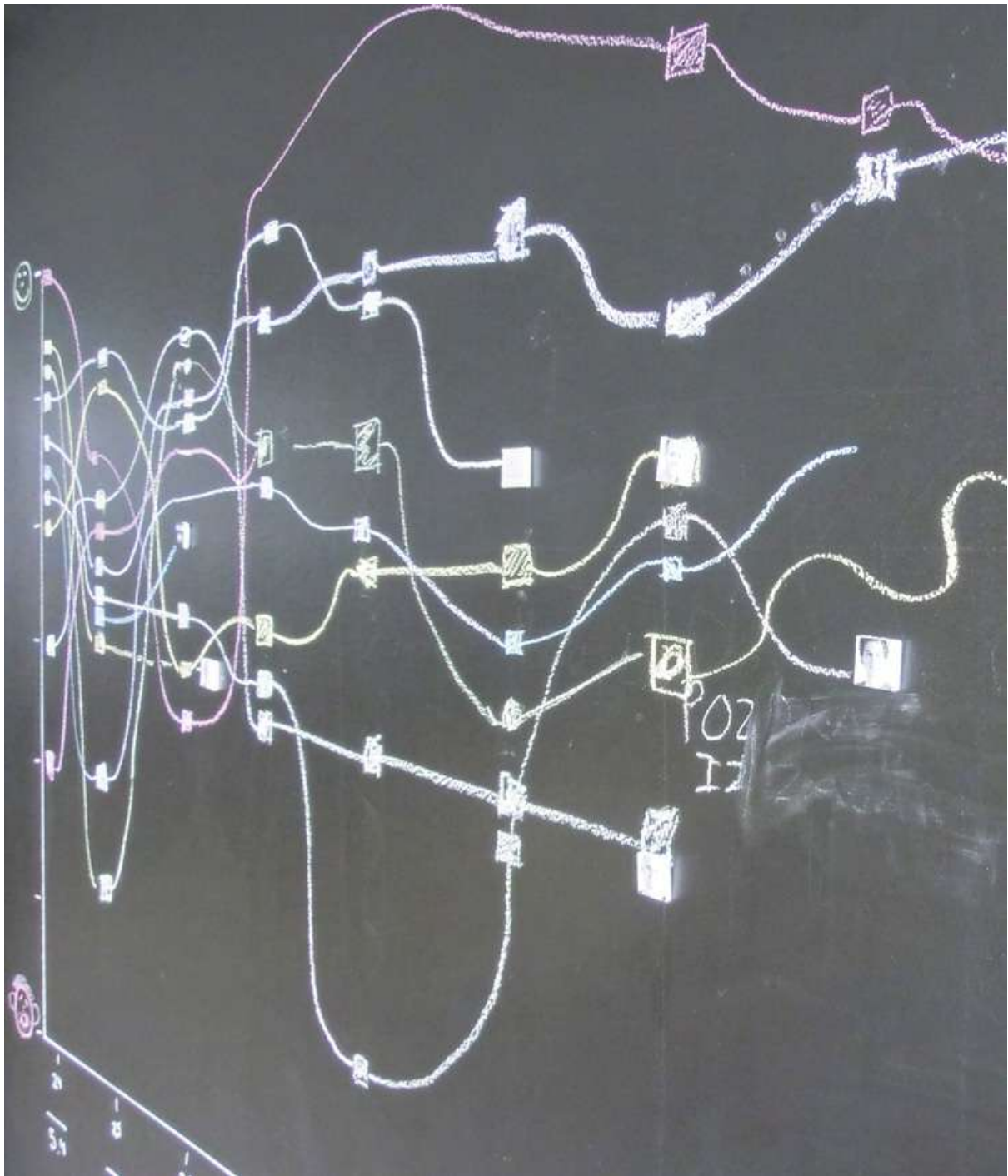
But they ignore the details of the heart. That's what the surgeon is for.

Now, what about the hospital director? Does she have a "higher role"?

Is her work "more complex" because her scope of concern is the entire hospital, including lots of surgeons, doctors, nurses, and patients?

Does the role of the director require a smarter brain?

Not at all!



11

Delegation of control is the only way to manage complex systems.

There is no other option. If we didn't have delegation, the president of the United States would have to be the person with the highest mental processing ability in the entire country! Obviously, the United

States has performed quite well without usually having such a person in the Oval Office.

The idea that management work is “more complex” and that the management role requires “higher mental abilities” is, frankly, nonsense.

However, I understand it is an easy mistake to make with a limited understanding of systems theories. It is no surprise that many managers love this kind of thinking! Who doesn’t want to hear they are smarter

than others? Who doesn’t want to see confirmation that their work is

hard and requires much higher pay? Who doesn’t want to be acknowledged as “the boss”? Any book confirming that bosses are “leaders”

who are destined to lead their organizations to greatness is sure to

be consumed like cake at a children’s party. In fact, it follows logically

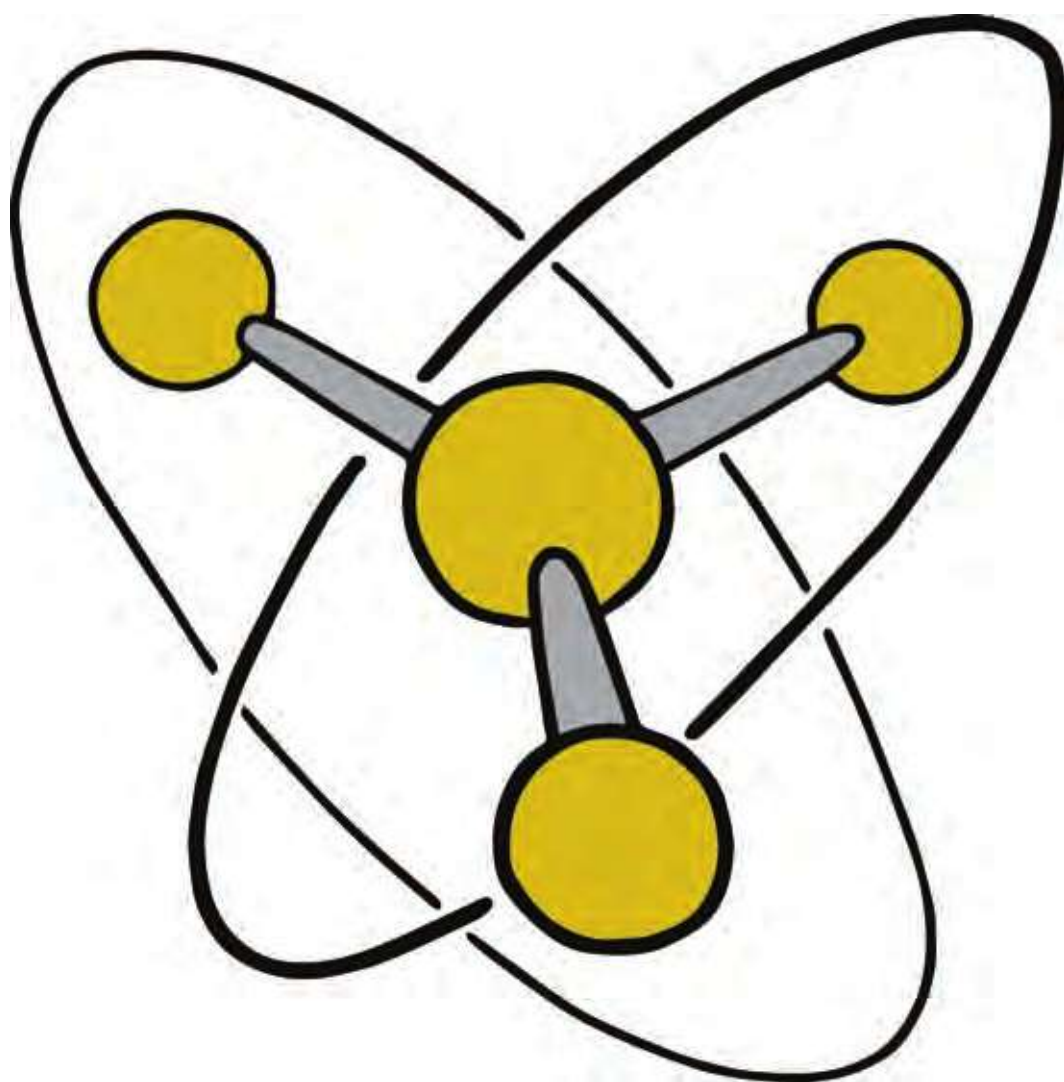
that Management 1.0 and Management 2.0 literature sells quite well

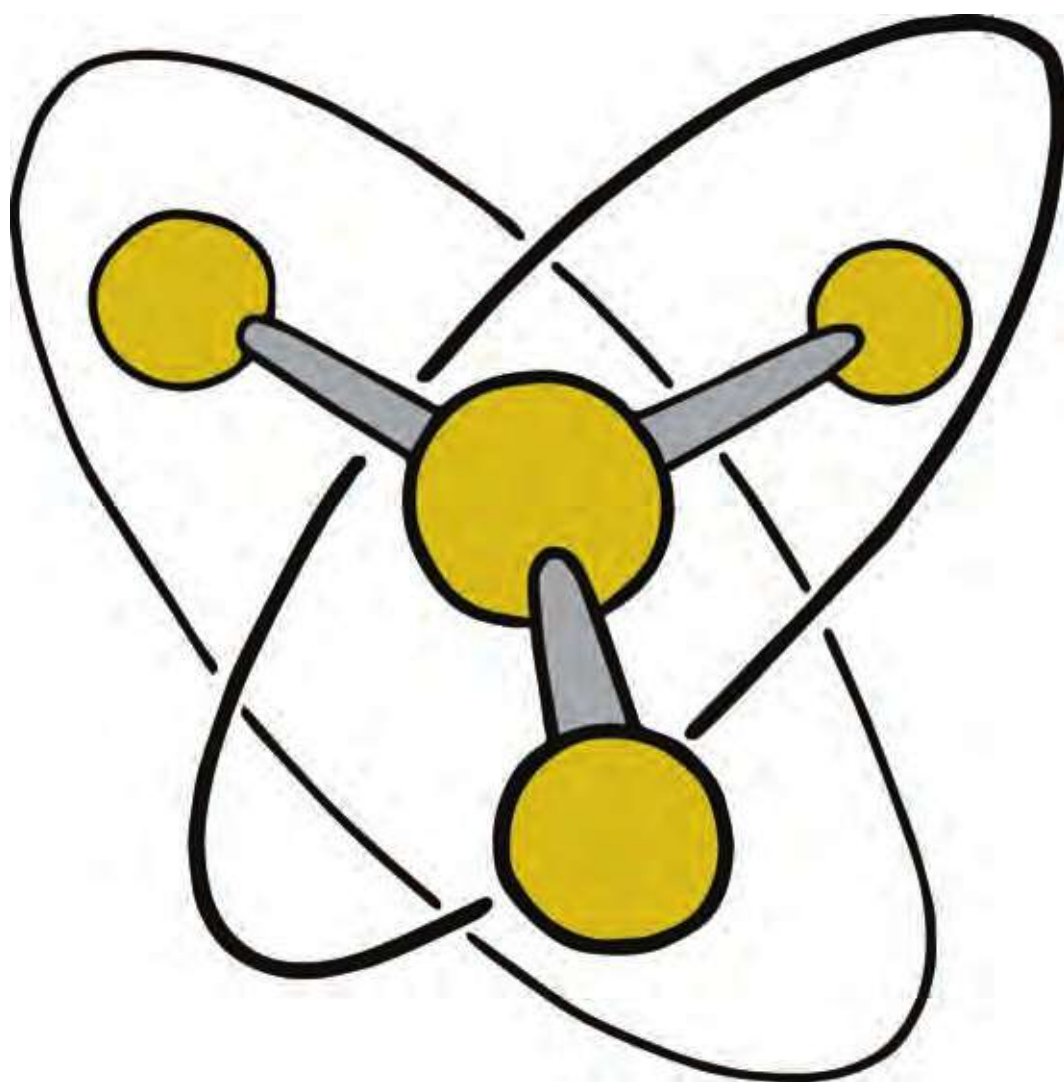
to upper management layers!

I see this classic image of “the boss” as a total anachronism. It may work in certain connotations like “organized crime boss,” “union boss,” or “pit boss,” but being bossy per se is not an attribute that I have ever seen as desirable in a manager or anyone else for that matter.

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Richard Branson, *Like a Virgin*, loc:2400





[Redacted text]

[Redacted text]

[Redacted text]

[Redacted text]

[Redacted text]

Why Do We Need

Management?

In the last decade or two, we have witnessed the emergence of a good number of big ideas, including agile, lean, scrum, kanban, beyond buds such big ideas in their organizations because they always encounter getting, lean startup, delivering happiness, design thinking, real obstacles. The barriers most often mentioned are organizational structures, scenario planning, conscious capitalism, and many more. What culture, organizational structure, change management, people manage all these manifestos, methods, and movements have in common is management, command-and-control hierarchies, and other topics usually that they promote better ways of working while borrowing a thing or [directly associated with management.](#)¹⁶ In fact, all around the world,

two from science. I often say they're like a family. They all share the the cultures and practices of Management 1.0 and 2.0 are the main same DNA, which they received from their parents: **systems thinking** obstacles. They prevent people from upgrading their work processes and **complexity theory**. And sometimes the family members quarrel to more modern and sensible approaches.

and fight, just like in any other normal family.

This should come as no surprise to anyone who has ever read the work of management expert Peter F. Drucker, since he convincingly argued decades ago that “management is about human beings, and

management [is the critical, determining factor.](#)¹⁷ You can optimize all you want in development, design, testing, finance, marketing, human

resources, or anywhere else. Ultimately, management always needs

to change as well, or else your improvement efforts will run into a

wall.

Management always needs
to change as well.



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ODUCTION

INTR

Interestingly enough, Drucker referred to the work of *management* as
Likewise, *management* of the work is a crucial activity, but this could being

critical, not the job of the *managers*. I usually compare it to the be done with or without full-time managers. Again, having dedicated work of *testing* versus the job of *testers*. Obviously, it's crucial that you managers depends on the size of the organization, the availability HAPPINESS

test your products, but it may not be crucial for you to work with full-
of mahogany desks, and plenty of other things. However, no matter

FOR

time testers. The availability of dedicated testers depends on the size whether there are managers or not, *everyone* should feel responsible of the organization, the need for specialization, and various other facfor management. When the organization sucks, don't blame just the GING

tors. But no matter whether you have testers or not, *everyone* should managers!

MANA

feel responsible for testing the products they are working on. And
when the product is bad, I hope nobody blames only the testers.

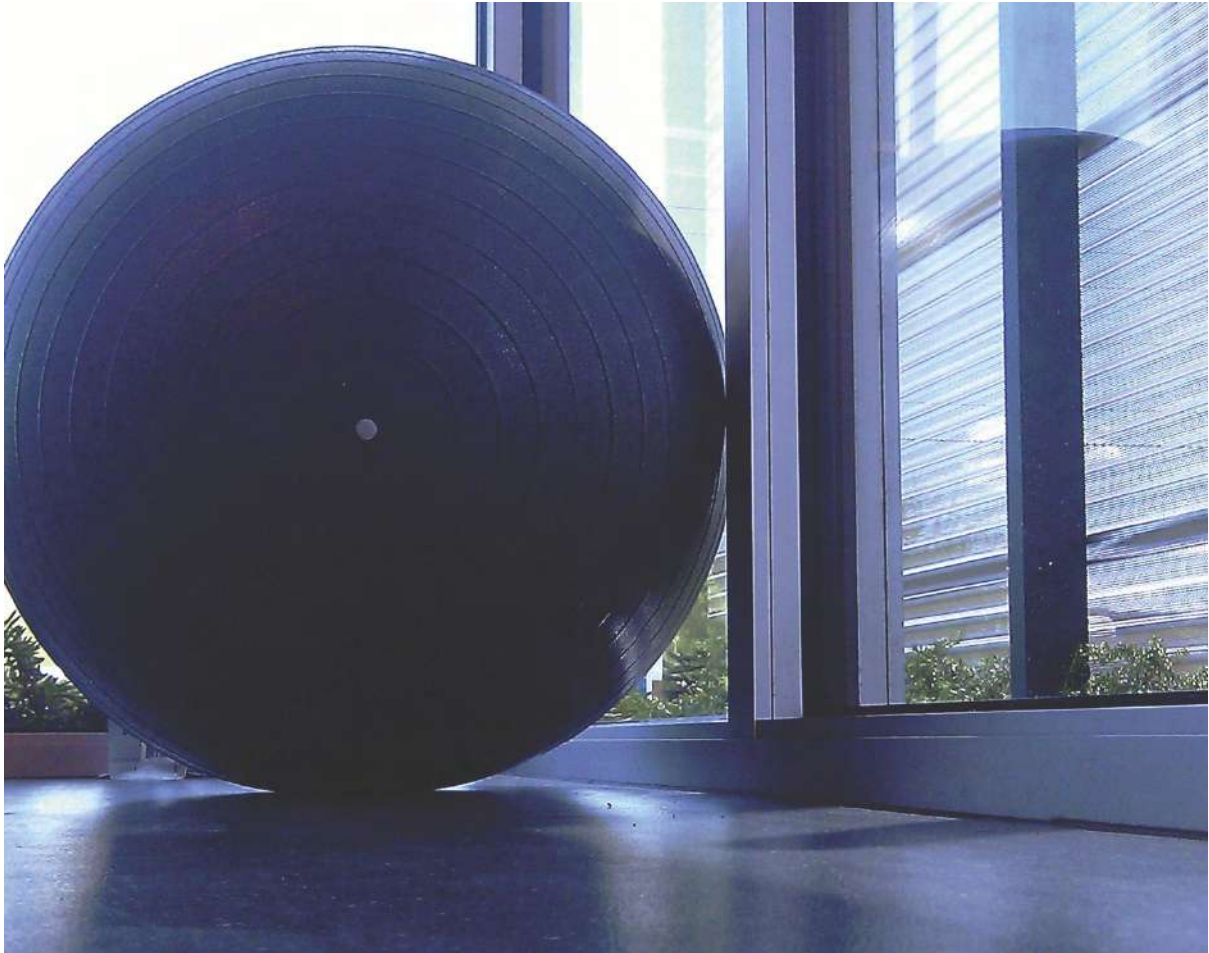
As I said in the beginning, I strongly believe management is too important to leave to the managers. Management is everyone's job.

No matter whether there are

managers or not,

everyone should feel responsible

for management.



Do we really need

managers?

The same discussion emerges again and again. “Can we do typically categorize as testing, marketing, or management business without managers?” “Can we get rid of all the manactivities. Whether or not you have people who *specialize* agement layers?”^{18, 19, 20}

in these activities is beside the point. The work is crucial

and needs to be done, one way or another. Sure, fire all the

When you translate it to testing or marketing, you will see managers. But someone needs to define the purpose of the how silly the discussion is. “Can we make products without business, which people get hired, how everyone gets paid, testers?” “Can we get rid of all the marketers?” As if only and how much to spend on coffee. This book is for those design and development make a viable business. Dream who care about their organization, not about the titles on on! Obviously, your business will require work that we their

business cards.

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<http://www.flickr.com/photos/32020964@N08/4858484404>

15

Management 3.0 Principles

INTRODUCTION

I have claimed that Management 1.0 is doing the wrong thing and that

Some of my friends prefer organic food over factory food. I respect

INTRODUCTION

Management 2.0 is doing the right thing in the wrong way. Now you their opinion that consuming organic food is, for them, the right probably expect me to say that Management 3.0 is doing the right thing to do. Choosing better food over mass-processed food is not a thing (or maybe doing the wrong thing right). But what is “doing the method. It’s not a framework. It’s not a religion. It’s a way of life. It’s right thing” when it comes to management? To answer that question, what my friends believe is right. Doing “the right thing” means acting HAPPINESS

I need to answer another one first.

in a way that is consistent with a core belief.

FOR

ENDING

The great thing about traveling to many countries and meeting My core belief for management is that organizations are complex, people at lots of companies and conferences is that I get to hear very adaptive systems and that good management means taking care of MANA

interesting questions, like I did recently in Gothenburg, Sweden:

the system instead of manipulating people. I believe that improving

the environment so that it keeps workers engaged and happy is one of the main responsibilities of management; otherwise the organization fails to generate value. I believe that management should

What if we did everything that the <insert method here>

continuously optimize the whole system or else, at some point, atrophy of the organization will surely follow. And I believe that man-

experts tell us to do, including all the practices, but the

agement should take care that it maximizes value across all clients

(see sidebar “ Clients and Stakeholders (or Involvees)”); otherwise the

products we make are still bad, and the organization

organization becomes dysfunctional. In other words, a management practice is a good practice when:

still sucks? What then? What can we do when <insert

1. it engages people and their interactions;

method here> is not enough?

2. it enables them to improve the system;

Well, I think that’s easy. Principles rarely change, but practices always

3. it helps to delight all clients.

depend on context. Therefore, it depends on how you interpret <in-

sert method here>. If you associate the method with a collection of For example, I consider *management by walking around* (see Chapter 2, principles, you can always keep inventing new practices, as long as “Personal Maps”) a good practice because it requires management to they adhere to the principles. But if you associate <insert method interact with the teams who are doing actual production work. The here> with a specific set of practices,

you're doomed. Your goal is to find out how to help improve the system in which the people need a new fashionable word very soon.

are doing their work. And it is done in order to understand how value is delivered to customers and other stakeholders.

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Clients and

stakeholders

(or Involvees)

Everyone can come up with useful new practices that satisfy the three principles.

Management 3.0 is not *defined* by concrete

In this book, I use the terms *clients* and *stakeholders* interchangeably.

activities, such as the delegation board, the kudo box, moving motivators, or feedback

A stakeholder is anyone who has a stake in what an organization is wraps (see later chapters). These practices

and exercises are just *examples* of things

doing. A client is anyone who is served by whatever value the organization can do to increase the health of the organization. Merely drinking ecological

zation provides. Broadly speaking, it comes down to the same thing

coffee does not make someone an “organic-minded” person, and neither do we expect

and includes customers, shareholders, employees, suppliers, communal organic food lovers to be coffee drinkers.

Ecological coffee is not part of a framework

nities, and many more.

or method but a simple practice that certainly fits well with the organic food mindset.

Likewise, Management 3.0 is neither a

Sadly, stakeholders are often confused with shareholders, and clients

framework nor a method. It is a way of looking at work systems, and it has a few timeless

are usually mistaken for customers. For lack of a better word, I've deprinciples. Having a merit money system, exploration days, a salary formula, or a happ-cided to mix the words *clients* and *stakeholders* throughout this book.

iness door fits nicely in the Management 3.0

mindset. None of these practices are *required*,

Just remember that I do not mean only customers or only shareholdbut you could definitely *consider* them. Or even better, maybe you can invent your own

ers. I mean *everyone* who is somehow involved in and cares about the

Management 3.0 practices.

business. (And I vote that *involvee* be added to the English dictionary.)

And yes, I believe Management 3.0 is “the

right thing” to do.



Management 3.0 Practices

INTRODUCTION

When experts discuss work approaches for certain groups of people, When it comes to management, most people are novices. They need INTR

they often come up with collections of “best practices.” I agree with concrete advice and step-by-step guidance in answer to their “how”

those who say there is no such thing as *best* practices, only *good* practices.

tices, but I also think that *not* offering any practices is worse. In principle, it is good practice to offer both principles *and* practices. Project

- *How* do we measure performance?

HAPPINESS

managers, software developers, and creative workers in other disci

- *How* do we replace performance appraisals?

FOR

plines have access to plenty of practices they can borrow in their daily

- *How* do we decide on salaries and bonuses?

work. But what are the good practices for management?

- *How* do we offer career paths and promotions?

GING

- *How* do we motivate our employees?

MANA

When people learn to drive a car, it is not enough to tell them, “The

In principle, it is good practice

general principle is to arrive at a certain place without hurting or killing anyone. Good luck!” Novice drivers need a bit more guidance than to offer both

that. (I certainly did!) They need concrete tips on how to sit in the

seat, how to hold the steering wheel, how to look at the road, and how

principles and practices.

to use the headlights and the turn indicators. In Europe new drivers

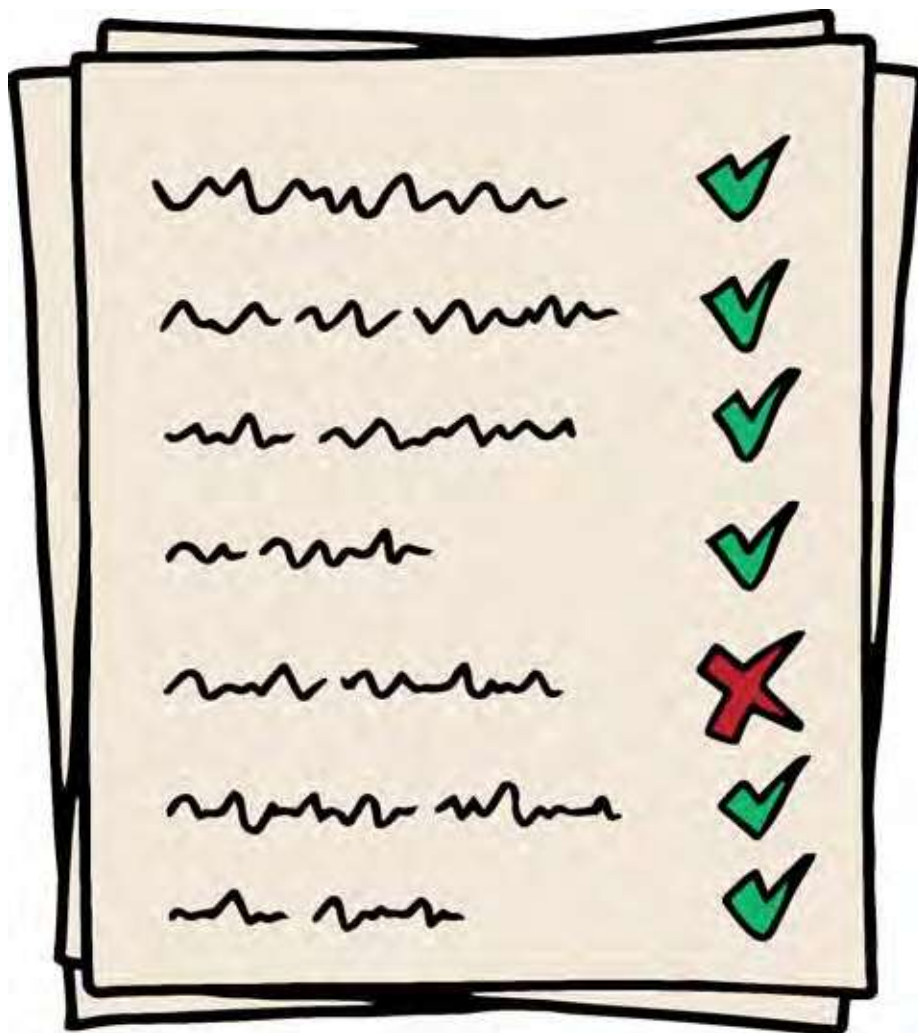
learn how to use the gears, and in the United States they learn how

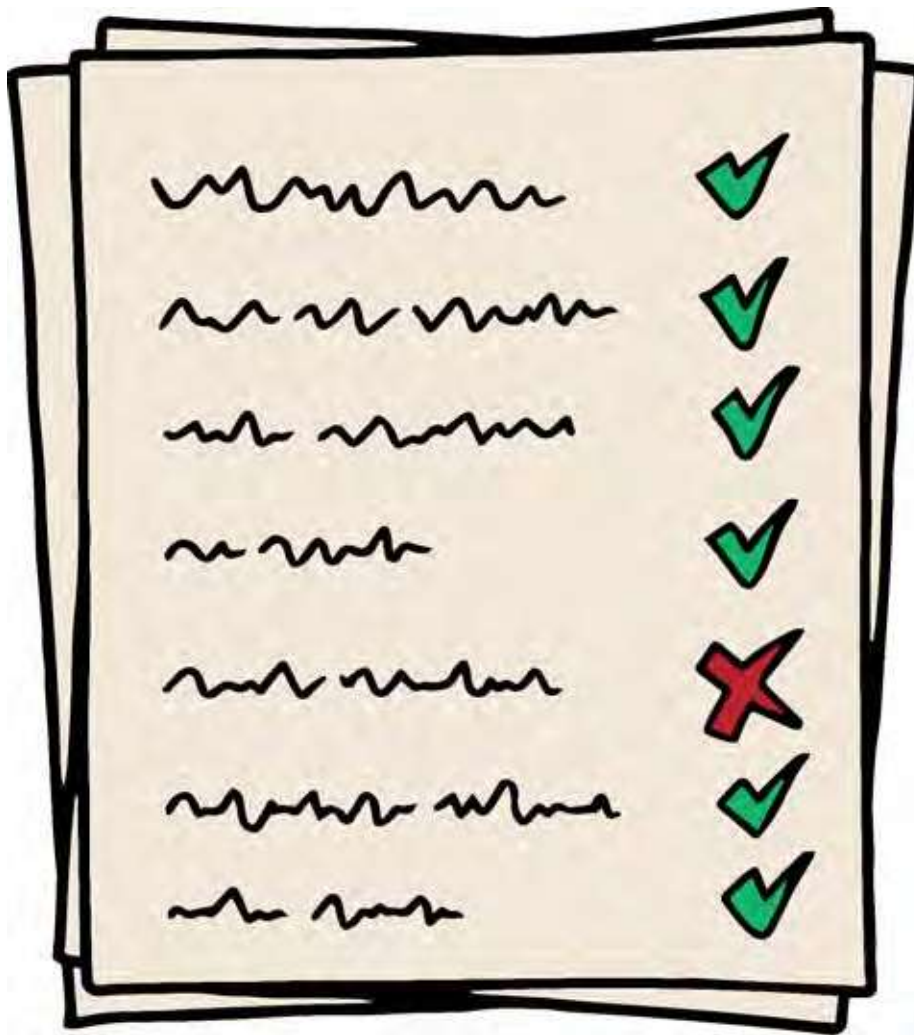
to use the cup holders. Novice drivers will understand the principles

soon enough, but only if they survive practicing the rules. It is the instructor’s job to explain that all the rules are merely suggested good Strangely enough, when I ask employees for examples of good man-practices that help to keep everyone safe.

agement practices, they only seem to come up with principles, such as

“delight the customer,” “have a shared purpose,” and “trust the team.” I believe these suggestions are sound, and well meant, but they are not *concrete*. By concrete I mean specific practices that can be explained to a novice so the novice knows exactly what to do on a Monday morning. “Be a servant leader” is abstract. “Bring the team some coffee” is concrete. “Make yourself dispensable” is abstract. “Take a six-month vacation” is concrete.





18

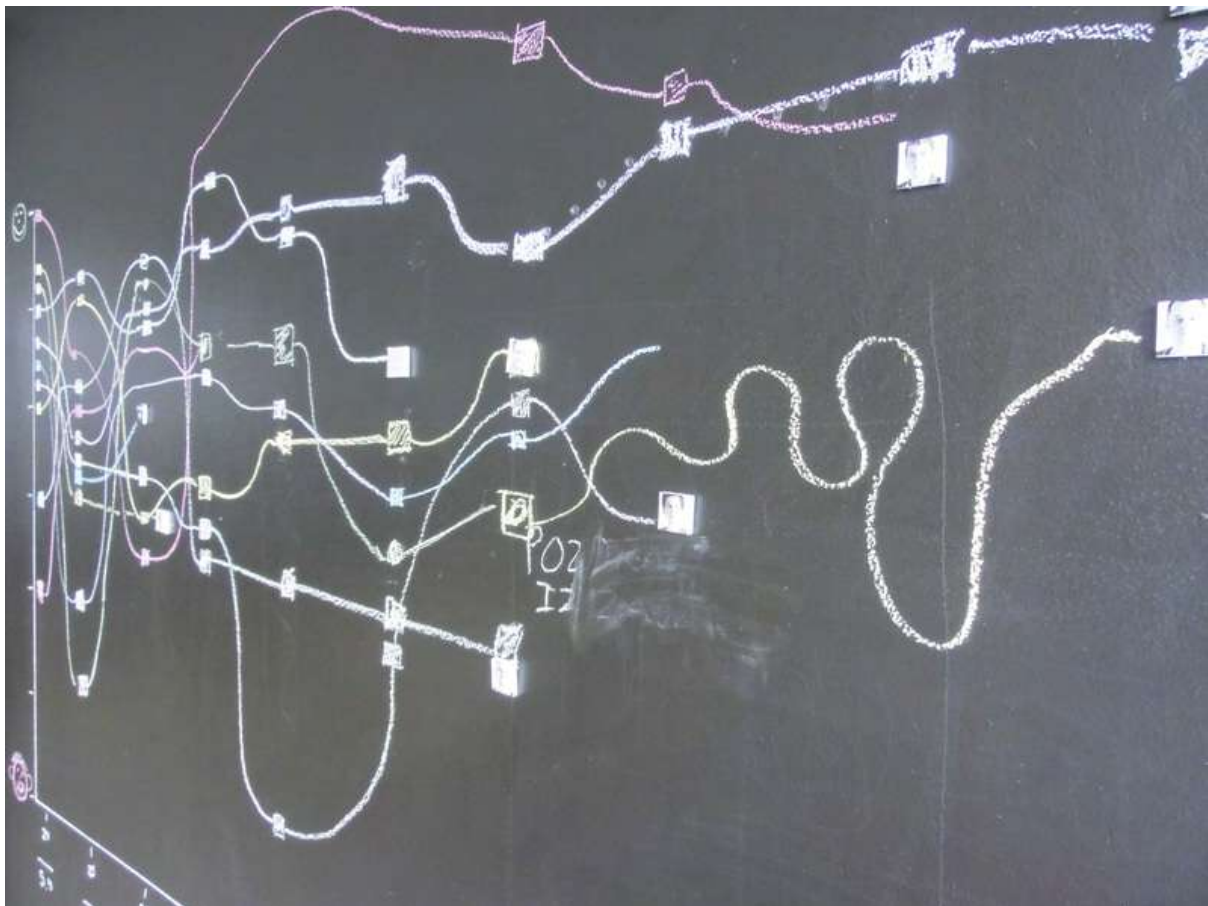
Regrettably, as soon as you give people concrete practices, you run When I offer good Management 3.0 practices, I create the danger of into the danger that some of them will follow the advice to the letter similar dogmatic and bureaucratic tendencies. For example, when I instead of trying to understand the principles. For example, a team suggest that people give each other kudo cards as tokens of apprecianeeds to understand that the purpose of a standup meeting is to keep tion, I sometimes get questions such as “Should this be anonymous communication brief and effective. However, I was told of one team or public?” “Should I give them personally or should I put the cards that cut off team members after 15 minutes because the practice was in a box?” “Should this be on paper or can we do this electronically?”

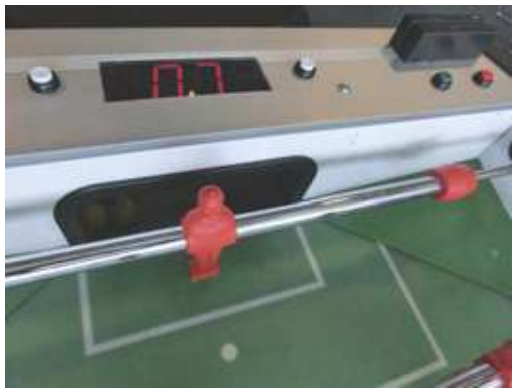
called the “15-minute daily standup.” Another team was reported to It’s as if I tell them to bring the team coffee in the morning, and they have difficulty accepting a person in a wheelchair in their standup ask *me* if the team needs milk and sugar, and if it’s OK to add a cookie, meetings because the person

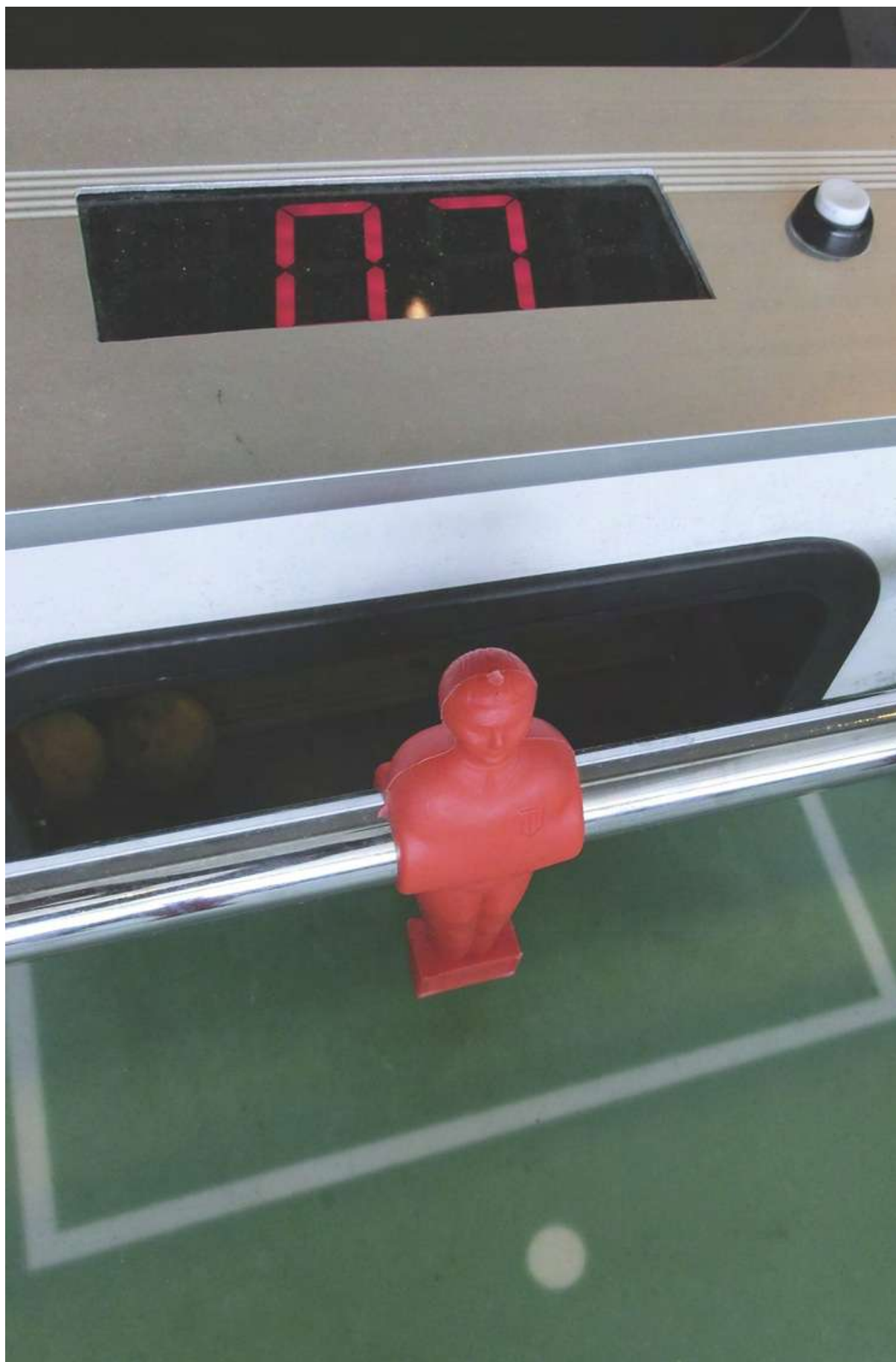
couldn't stand up! The mindless adherence to rules, combined with a steady loss of principles, is always about that one person who only drinks tea? I refuse to be too specific prelude to bureaucracy.

because the danger is that people will make a checklist and do exactly as I say!

The *principle* behind bringing the team coffee is that you're trying to be a servant leader, so act like one.







Great Management

This chapter began with a number of depressing stories of mismanagement. I don't want to end this chapter without offering you some more uplifting examples. Fortunately, I have plenty of good stories to

choose from. For example, here are some that deal with the use of office space by employees:

At VI Company, a software company in Rotterdam, the Netherlands, management has turned some of the office walls into big black chalkboards, and they made colorful markers available so that the employees can create their own useful office decoration. One time, a team decided to publicly plot their happiness index and different

team members drew colored lines all over the wall. The chalk walls didn't just make the office look more colorful; they also supported the team's need for experimentation, learning, and improvement.

At Cisco Systems Norway, in Oslo, the employees love playing with their foosball table in the lunch area. However, it's not just *any* foosball table, it's a *special* one!

The technical guys have upgraded the table with a few technical modifications of their own. For example, the two goals have laser beams installed in them, and the table has a digital counter so that it can count the goals that are being scored.

The table also has a security card reader attached so that the players can identify themselves to the table. The employees made these upgrades because experimenting with technologies helps them to be

innovative, and management allows them to spend as much time as they want on that foosball table.

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Future Processing in Gliwice, Poland, has walls full of photographs. Another company with a very modern office space is Wooga, an online and names of all its employees.

It is a tradition at this company gaming business in Berlin, Germany. The employees at this company to take a picture of every new employee and to hang those pictures in have been running contests against each other for the best designed the lunch area. They also plot the rapid growth of the company over office space. I admit that it was easily one of the most colorful offices the years with a graph made out of people's names. This is how the I have ever visited.

company acknowledges that it owes everything to the people who are working there, and it instills a sense of pride among the workers.

Yes, I visited all these companies myself. (Did I tell you that I travel a lot?) Granted, tweaks in the use of office space can sometimes be

At InfoJobs, a company in Barcelona, Spain, which has been recognized as a "best place to work," the employees decided to give their rooms of good management, which often doesn't require a lot of money meeting rooms names that correspond to the company's values or effort. In fact, the things I mentioned here are simple, cheap, and and to use and decorate those rooms accordingly. For example, the not very spectacular. But they work! I witnessed the happiness and *Alegría* ("happiness") room has nice pillows, blankets, flowers, books, pride of workers. I also saw people not waiting for managers to imand yoga mats. It is the room where people can express themselves prove their work and taking responsibility for management in their and experience a bit of happiness. Oh, and the Human Resource de-own hands. Creative workers choose to boss themselves.

partment renamed itself to People Development Support because its employees thought the new name better reflects what they do.

CCP Games, an online gaming company in Reykjavík, Iceland, makes Creative workers

vast virtual worlds and universes, full of battleships and aliens. What I

found interesting was that two teams discovered a useful way to have choose

different styles of task boards living side-by-side. A “scrum” board (a visual board depicting requirements and tasks) is used to manage the iterative flow of their product releases, and a “kanban” board (an-

to boss themselves.

other style of workflow visualization) is used for the continuous development of spaceships. The teams proudly showed me the pictures of their spaceships flying from one task board to the other!

At Spotify, the online music company in Stockholm, Sweden, man

It's good to see that some people do know how to motivate employment delegated the design of the new offices to their employees. ees, improve the system, and increase value for stakeholders at the One particular solution the workers and coaches came up with is to same time. And it's good to see that smart knowledge workers and separate open work spaces from corridors by using a mesh of wires, creative workers don't wait for permission from the boss to start instead of using glass or walls.

This solution gives people both a changing things. Hopefully, there will be many more stories like these sense of transparency *and* privacy at the same time.

in the future.



21

I understand people's need for more concrete management practices, but I've always argued against the definition of "One Management Method." The inevitable result would be a series of conferences about

the One Management Method, accreditation of One Management

ODUCTION

Method trainers, official One Management Method tools, One Man-

INTR

agement Method maturity level assessments, and online tests validating whether people understand and apply the One Management Method correctly. Learning would come to a standstill. This would

be at odds with complexity science and incompatible with systems

HAPPINESS

thinking. Offering a method or framework inspired by science is a

FOR

contradiction in terms.

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GING

I sometimes like using the workout metaphor. Everyone understands

MANA

that yoga and Pilates are just names for endless collections of painful useful practices based on guiding principles. They're not methods or frameworks. We all know that doing twenty push-ups per day is In this book, I offer you a collection of concrete management practice healthy, but it's not required. It's perfectly fine to replace this good es because everyone should learn how to manage the system, not the practice with something else. In fact, as your personal trainer knows, people. These are practices for *all* workers so that they can introduce every now and then you should! Likewise, you could play moving better management, with fewer managers. These serious games and motivators (see Chapter 10, "Moving Motivators") until you are tired modern tools will help you change your organization's culture, step of it. You can ask people the yay questions until they get bored. You by-step, beginning tomorrow.

could try the personal maps practice until it loses its value. And you can't go wrong making delegation boards until you don't need them Start working out; make the system healthy, and have fun!

anymore.

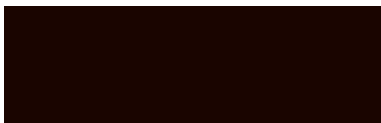
Are you an artist, developer, tester, doctor, manager, leader, coach, facilitator, public servant, or entrepreneur? Would you like to help your organization become fit and happy?

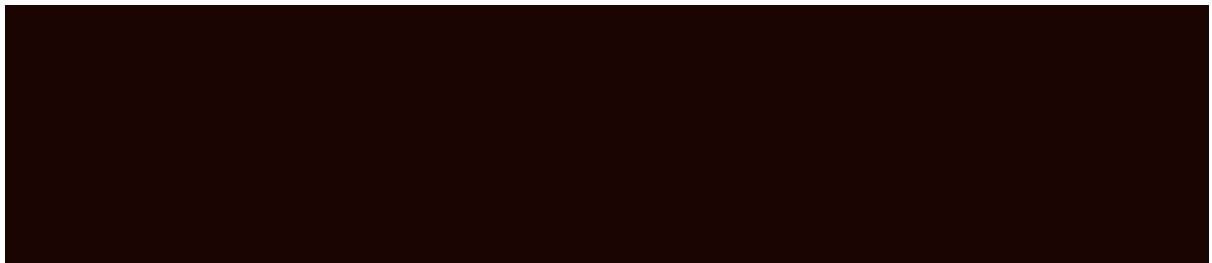
Introduce better management,
with fewer managers.



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1

kudo box and

kudo cards

Motivate People with Better Rewards

24

There are many wrong
ways to reward employees.

A simple but effective
approach is to install a
kudo box, which enables
people to give each other

Anything that has
a small reward. The kudo
real and lasting value
box fulfills the six rules for
is always a gift from
rewards and works much
within.

better than bonuses and

Franz Kafka,

Austro-Hungarian author

other forms of financial

(1883–1924)

motivation.



25

CARDS

KUDO

AND

OX B

KUDO

It may come as a shock to many to learn that a large

and growing body of evidence suggests that in many

HAPPINESS

circumstances, paying for results can actually make

FOR

people perform badly, and that the more you pay, the

GING

MANA

worse they perform.

Nic Fleming, “[The Bonus Myth](#)”³

In 2001, Enron, an American energy and services company, collapsed. Indeed, excessive greed might be the biggest problem in free markets.

into bankruptcy because its managers liked their bonuses more than Bankers in the United States and Europe have been so focused on they liked the truth.

They incentivized themselves to maximize their their personal results that they collectively plunged the world into own paychecks, not the success of the organization. Similar creative one of the deepest recessions we have ever [seen.2](#)

financial practices occurred at Parmalat, WorldCom, Bernard L.

Madoff, AIG, Barings, and many other companies. Corporate history

is littered with the remains of organizations that allowed individual

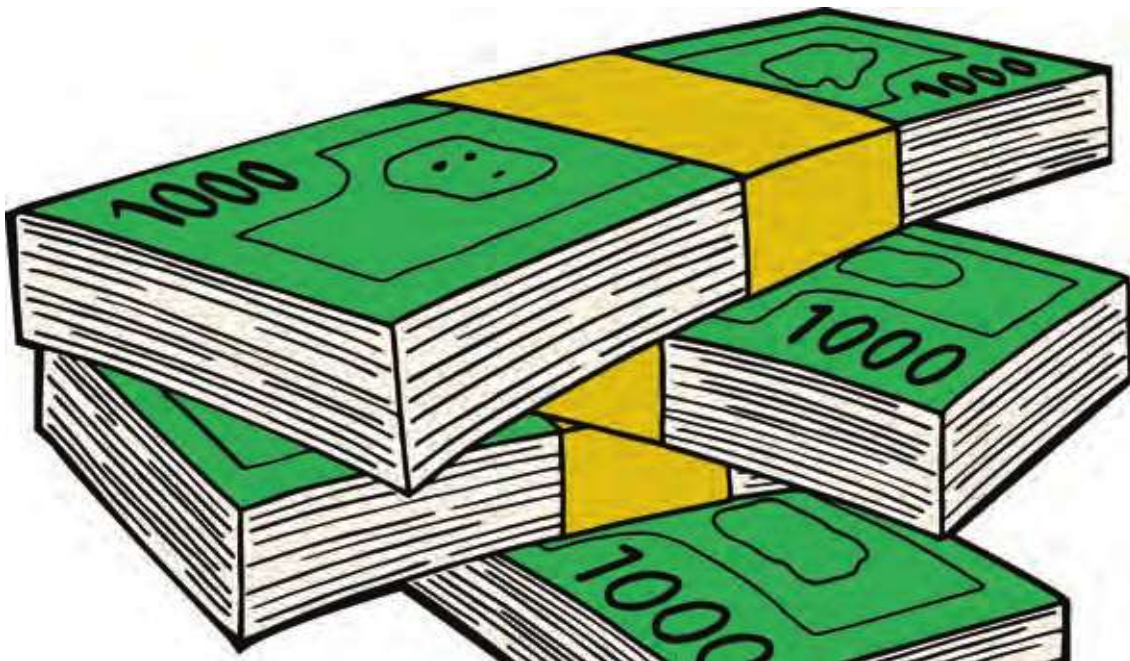
Excessive greed

greed and egos to outgrow the solvency of the company. And bonus

systems are still implemented all around the world “to incentivize permight be the biggest problem formance,” despite the fact that experts have known for decades that

there’s no prov[en correlation between bonuses and performance.1](#)

in free markets.





26

Extrinsic Motivation

Extrinsic motivation is defined as behavior that is driven by external rewards that kill people's intrinsic motivation. The incentives ensure that people work for rewards (given by others), such as money, grades, and praise. Rewards stop people from doing things just for the joy of the work. It is called the **overjustification effect**.

Extrinsic rewards are among the trickiest and least understood tools in management. **Extrinsic motivation**

[effect.6](#) Instead of expecting and feeling enjoyment, people When applied in the right way they can generate significant results. expect a reward.

Unfortunately, a common assumption among managers is that noth-

ing works like money when you want to make people work harder,

Incentives ensure

longer, or more effectively. Also, it is often assumed that extrinsic

motivation works quite well when implemented as a financial bonus.

that people stop doing things

These assumptions are both wrong.

just for the joy of the work.

Money is as important to knowledge workers as to

Another problem is that rewards based on outcomes increase the risk

anybody else, but they do not accept it as the ultimate

of cheating, since people's focus is on getting a reward instead of doing a good job. When you reward employees based on outcome, they **yardstick, nor do they consider money as a substitute**

will take [the shortest path to that outcome.7](#) **Bad behaviors** with dysfunctional side effects undermine the organization's performance, **for professional performance and achievement. In**

while the employees walk away with a bonus or with their colleagues'

pension fund.

sharp contrast to yesterday's workers, to whom a job

Extrinsic motivation, with big incentives based on outcomes, is like

was first of all a living, most knowledge workers see

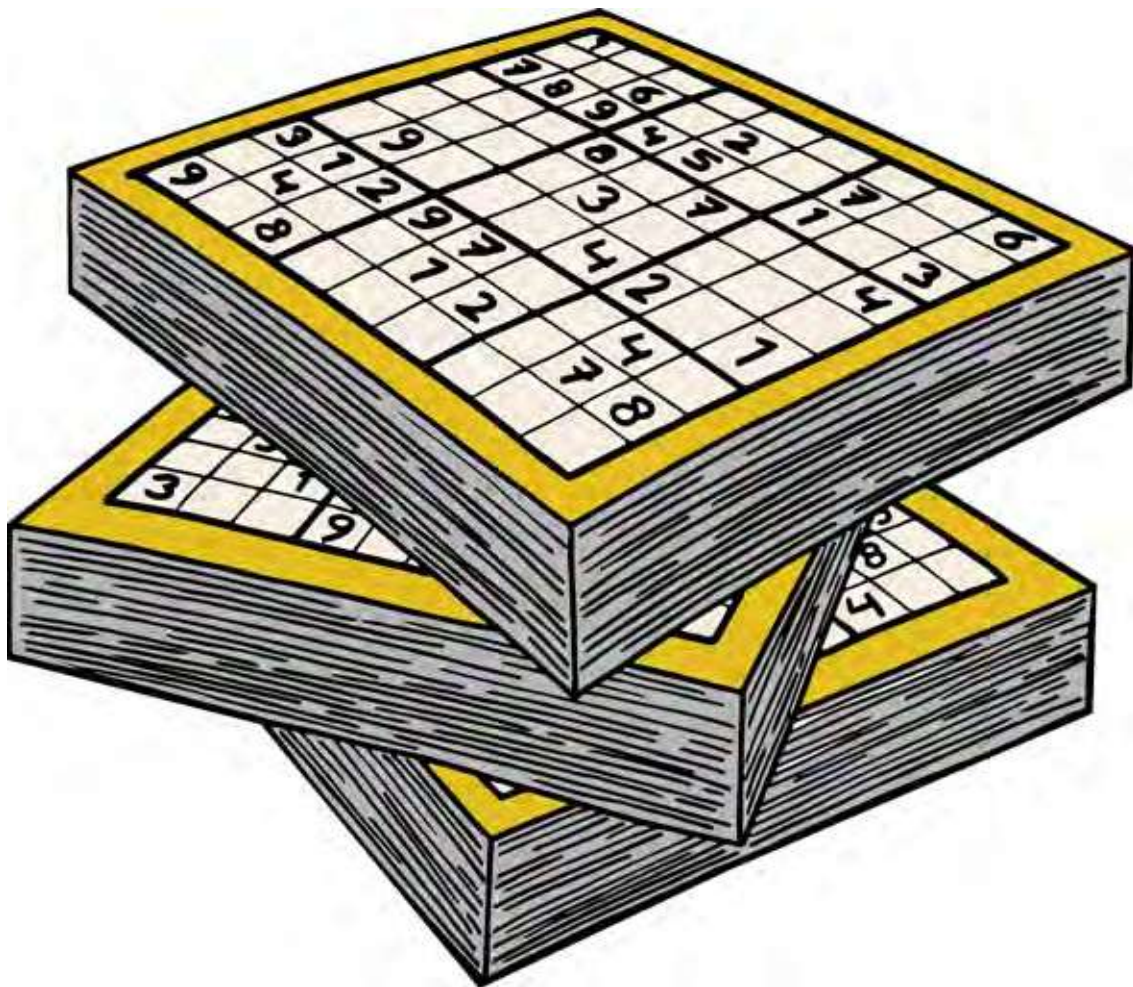
a hot air balloon with a basket of gold. It's expensive, and it's hard to

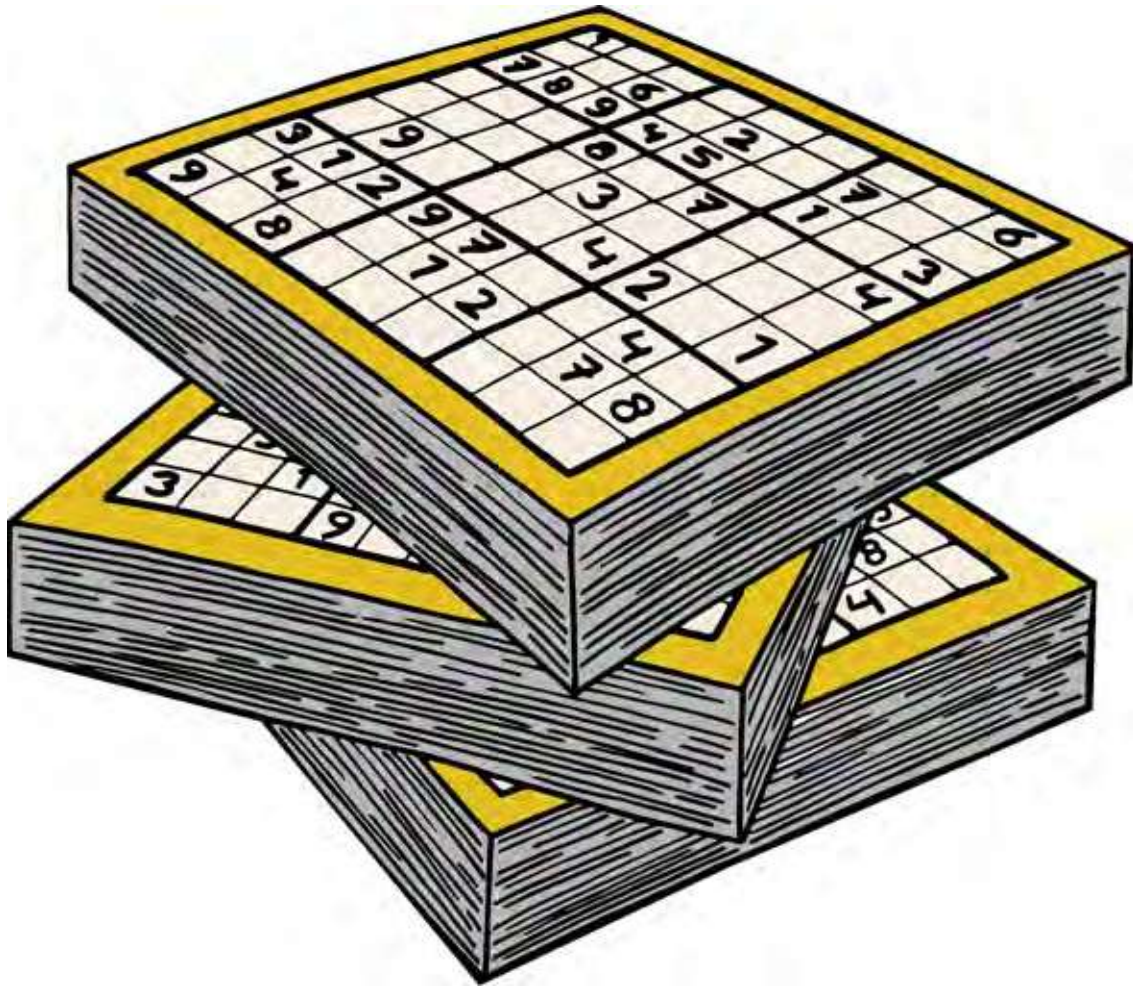
make it fly.

their job as a life.

Peter F. Drucker, [Management.4](#)

Scientific research has revealed that incentives for performance actually work the other way [around.5 The anticipation of a reward](#) (either money or something else) works counterproductively, since it





27

Intrinsic Motivation

CARDS

KUDO

Fortunately, there is some good news as well. Rewards that trigger *intrinsic motivation* are more effective, more sustainable, and usually

AND

cost less money.

Intrinsic motivation is defined as behavior that

OXB

is triggered from within a person. In other words, the people are rewarding themselves.

KUDO

Influence masters first ensure that vital behaviors

HAPPINESS

connect to intrinsic satisfaction. Next, they line up

FOR

GING

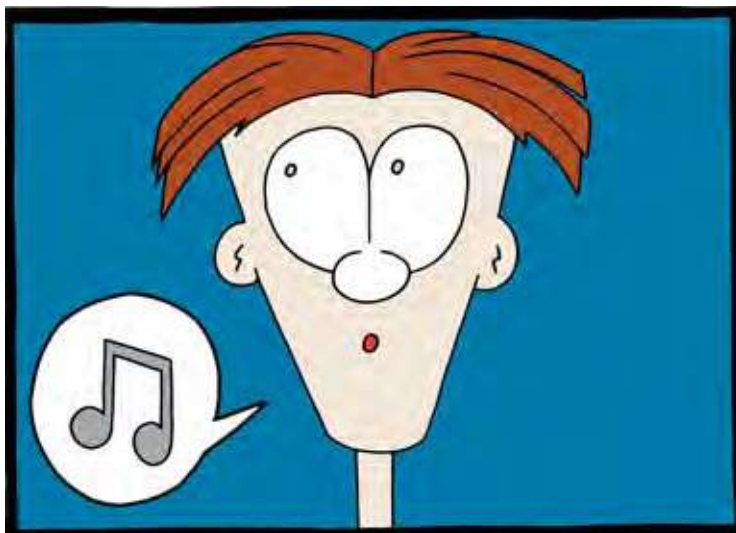
social support. They double check both of these areas

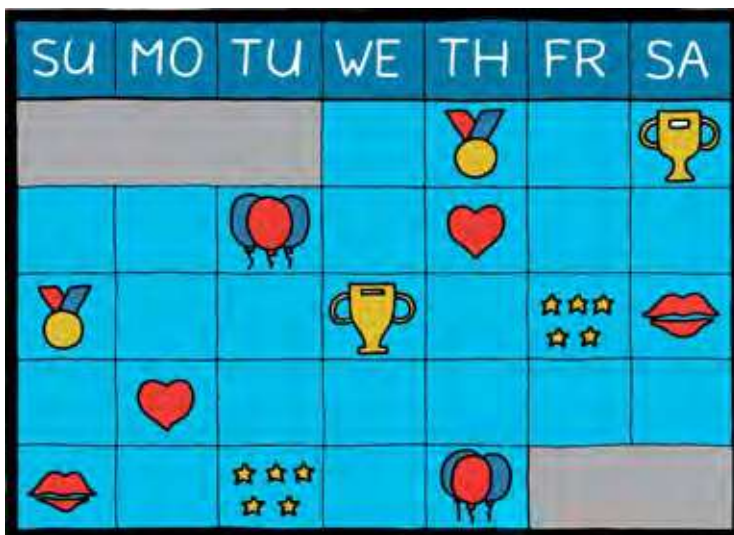
MANA

before they finally choose extrinsic rewards to moti

vate behavior.

Kerry Patterson⁸





28

Rewards can work for your organization, and not against it, when you take the following six rules into account:

Don't promise rewards in advance.

Keep anticipated rewards small.

Reward continuously, not once.

Give rewards at unexpected times so that Sometimes, you cannot prevent people from Do not look for something to celebrate just people don't change their intentions and anticipating a potential reward. In such cases, once per

month or once per year. Every focus on the reward. Research shows that, according to research, big rewards are likely day can be a day to celebrate something.

when acknowledgment of good work comes to *decrease* performance. But with small re

Every day [is an opportunity for a reward.11](#)

as a surprise, intrinsic motivation will not be wards, the risk of hurting performance is

[undermined.9](#)

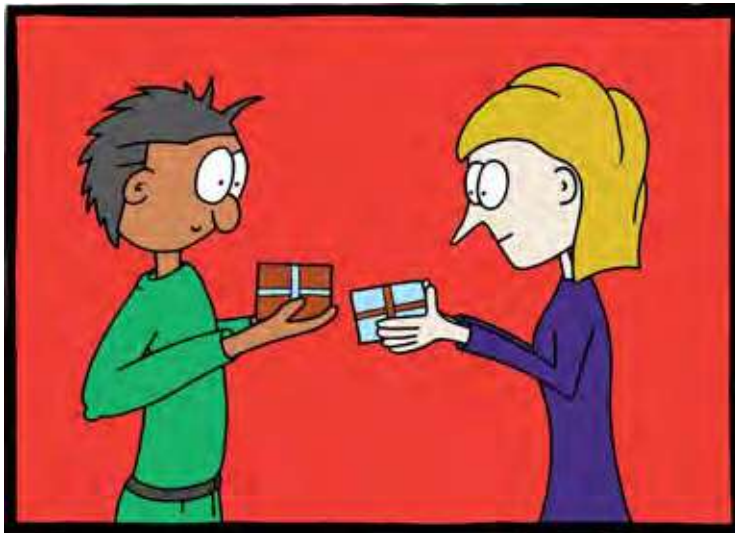
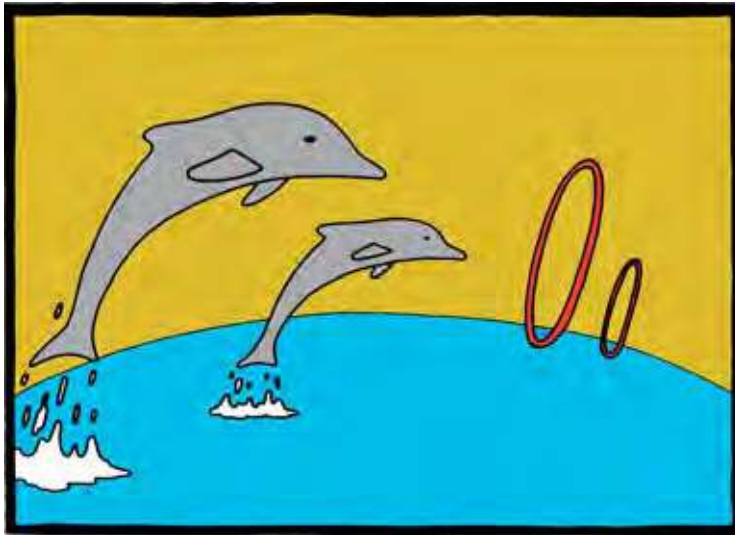
[negligible.10](#)

1

2

3





29

These six rules for rewards give you the best chance at increasing satisfies almost all six criteria. A well-aimed kiss, blown carefully people's performance and their enjoyment of work, while *encouraging* across a conference table, can also do wonders, I've noticed. (Just intrinsic motivation instead of *destroying* it. Notice that an incidental kidding!) It's not that difficult to implement rewards well.

CARDS

compliment addressed to a colleague in a meeting for a job well done

KUDO

AND

OXB

Reward publicly, not privately.

Reward behavior, not outcome.

Reward peers, not subordinates.

KUDO

HAPPINESS

FOR

GING

MANA

Everyone should understand what is being Outcomes can often be achieved through Rewards should not come just from the manrewarded and why. The goal of giving rewards shortcuts, while behavior is about hard work ager. Create an environment in which people is to acknowledge good practices and have and effort. When you focus on good behavior, reward each other because peers often know people enjoy the work, too. To achieve this, a people learn how to behave. When you focus better than managers which of their colregular public reminder works better than a on desired outcomes, people may learn how leagues deserve a compliment.

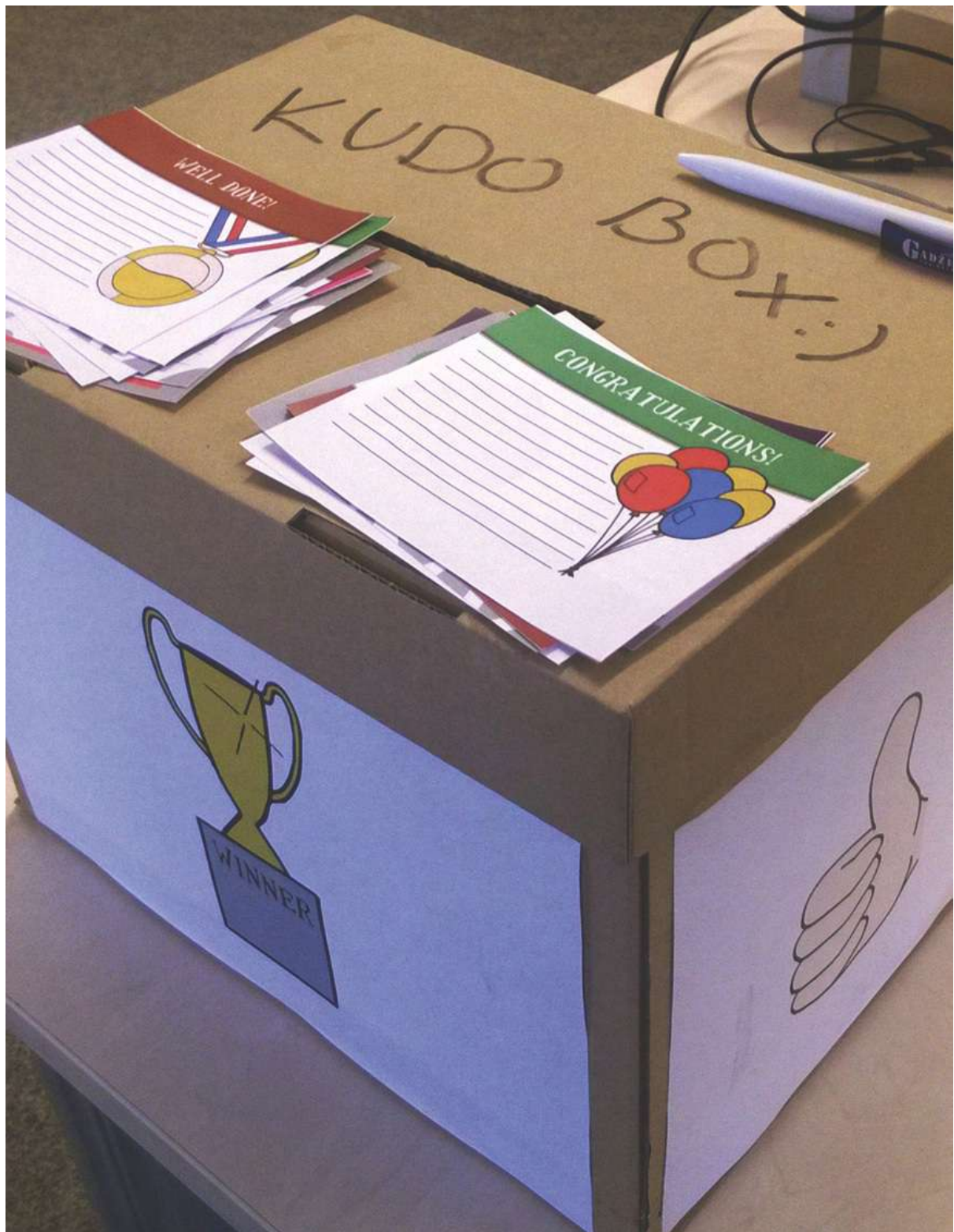
[private one.12](#)

[to cheat.13](#)

4

5

6



Kudos

Money is only advised as a reward when you need to motivate people to do an uninteresting or repetitive job.¹⁴ And even in the

case of creative work, it's OK for rewards to cost a little bit of money, as long as you don't overdo it.

In one of my workshops, Paul Klipp, former president at Lunar Logic Polska in Poland, told me how he created a reward system.¹⁵

He explained that his employees could give anyone a gift worth 20 euro. They called it **kudos** and it could be implemented as an e-mail to a central mailbox, or by slipping a note into a cardboard box. The management team never questioned why someone was rewarded.

When anybody in the company felt someone deserved a reward, the person received it.

Paul would personally bring a handwritten kudo note and a tray of gifts from which the receiver could pick one item. And everyone would hear about it on Facebook and on

the internal chat system. Paul told me these gifts worked extremely well, and he loved the fact that all employees were involved in recognizing people doing good things. It was a low-cost reward system, and trust was never abused.

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31

but, kudo

CARDS

is not a word!

KUDO

AND

Some readers have suggested that *kudos* is a singular word and therefore using the word *kudo* OXB

is wrong. But kudo is simply a back-formation from the Greek *kydos*,

meaning “glory” or “fame,”

KUDO

which is misunderstood as being plural. The words *kudo* and *kudos* were introduced into the English language in the previous century. Sure, the singular and plural forms began as a misun

HAPPINESS

FOR

derstanding, but the same applies to many other words we now take for granted.

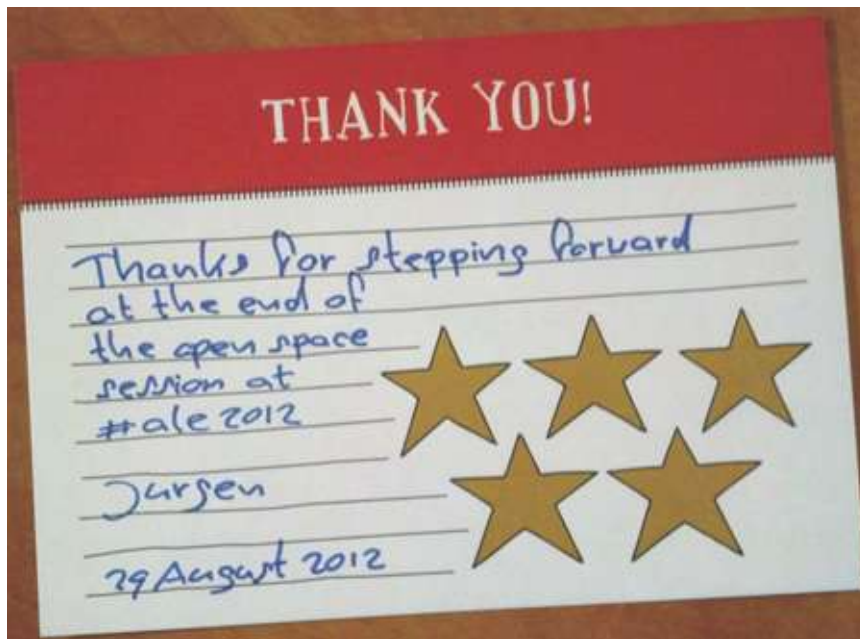
GING

MANA

There are many other names in use for the same system. For example,

A similar system was implemented by Philip Rosedale, former CEO of at Zappos they call them HERO [awards.17 But no matter what you](#) call it, a Linden Lab, which created the virtual reality platform Second Life. public system that enables people to give each other small, unexpected Rosedale called it [the LoveMachine.16](#) It was a tool that enabled emtokens of appreciation for doing a good job meets all six basic prinployees to send notes of appreciation to their colleagues. According ciples of good rewards. A gift attached to the compliment is of course to Rosedale, recognizing each other’s hard work makes everyone optional. It is the intention that counts. However, experience suggests feel great. And because everything is transparent, managers gained that a tangible gift helps a compliment to have a bigger impact on the useful insight into which people were appreciated often and which receiver. The gift enables the person to touch, hold, and cherish the people never received a compliment.

compliment. And that has value, too.



32

should the kudos be anonymous?

Should they be private?

I remember one occasion when I Maybe you are different. Maybe you Whether kudos should be given publicly or privately is also a matter for one the mystery of giving or receiving a nice message from someone anonymously. Even now, after giving an anonymous reward. My advice discussion. The generic rule says that 20 years, it still bothers me not know where is simply to leave this decision to public rewards usually work better giving who gave me that compliment.

the givers and receivers in the company to improve an organization's culture.

pany. They can decide best, given the Some people, however, shy away from

context of the compliment and the public praise. Again, it is best to inculture of the organization, whether investigate your organization's culture they want the identity of the giver to and people's preferences to see what

be known or not.

works best for you and them.

33

But What If . . . ?

CARDS

I noticed there is always somebody who asks, “What if?”

KUDO

AND

Let the community decide

“What if our workers don’t play fair?”

OX B

what to do about cheating.

“What if two people abuse the kudo box system to get free

KUDO

movie tickets?”

Another question I sometimes get is, “What if people *expect* to be

“What if someone just wants to gain the boss’s favor with rewarded?

When one person gets a compliment for doing X, his col

a kudo card?”

leagues might then also expect to get a reward for doing X. Ultimately,

HAPPINESS

everyone will feel entitled to a reward for doing the same thing.”

FOR

To these questions I have just one reply: “What if you see such risks

because you have a low level of trust in others? What if this low level I understand the problem. Most workers have a good sense of fairness.

GING

of trust is a result of your company’s culture? What if the kudo box When they give a reward to one colleague, they might feel bad about MANA

is exactly the kind of practice that is needed to *change* this culture not giving a reward to another who has done the same good thing. And of distrust in a relatively harmless way?” Yes, there is always a risk before you know it, you have a situation where everyone automatically that unexpected behaviors will occur. When I give away free books gets a reward for doing X. Obviously, this should be prevented.

at a conference, some people might use them as paperweights or

doorstops. Should this hold me back from doing a good thing?

The first rule for rewards says that they should come as a surprise.

When people expect to be rewarded, the rewards system has gone off

When cheating *does* occur, it is probably best to let this behavior track. That’s why I suggest that you frequently emphasize that praise emerge and evolve naturally, in a transparent way, so others can redo doesn’t work when it is required or demanded. You might also want spond. Let the community decide what to do about cheating. Try not to phrase your kudos in such a way that stresses the fact that this is to delegate such matters to upper management, because managethe first time somebody did something or the unique nature of

the ment is like government. When you expect team members to reward contribution or the effort beyond expectation that went into the job.

good behaviors and you prefer that management deal with *bad* behav

That would make it less likely that the next person will expect praise

iors, you increase the gap between managers and nonmanagers. This for the same thing. After all, it wouldn't be the first time, it wouldn't be gap makes the organization's culture worse, not better! In the end, unique, and it wouldn't be beyond expectation.

everyone will be gaming the system, and management will have a full-

time job making rules for "proper" rewards, creating elaborate forms Finally, some readers have asked me, "Shouldn't we reward teams for rewards, and depleting the rewards budget for their own benefit. instead of individuals? Don't we want people to work collaboratively, We all know how governments work. :-)

instead of going at it alone?"





34

Well, yes, of course. But teamwork can only emerge as an outcome of The kudo box not only adheres to the six rules for rewards; it also people's individual contributions to that team. You could give a reward satisfies the three principles for Management 3.0 practices: The re-because of what an individual did for the whole team. Obviously, somewards are handed out for improving the work and delighting clients, times it could be worth praising a whole team, a whole department, or and they engage people through intrinsic motivation. And as a bonus, even a whole organization. Quite often, however, people's individual the practice helps you get rid of bonuses!

contributions to the whole have to be recognized first, *before* the whole unit performs in a way that deserves praise as well.

Teamwork can only emerge
as an outcome of
people's individual contributions
to that team.

About our

“shout-out shoebox”

“Since the launch of our ‘shout-out shoebox’ at Brightside The manager, who was skeptical at first, has been surprised Group, we have had 19 cards put in the box, including a by the positive reaction to the scheme, and he now asked thank-you from one team to another. The whole team if the practice can be rolled out to his own teams. In fact signed the card and it was proudly stuck up in the receiving someone has already left a card for one of his teams so it team’s area. Another great card was for a new starter who has already crossed over.”

has been with us for just a few weeks but has impressed her

team with her ability to ‘hit the ground sprinting. ’ She was Gary Shepherd, *United Kingdom* very touched with the gesture.

© 2014 Gary Shepherd



About our

Rippas

“Here at Virgin Mobile we have a thing called a Rippa (an Australian colloquial

ism for good work) which is given to people as a thank-you for a job well done, a

token of appreciation, or just for the fun of it. Every person in the company gets

a book of Rippas to give out, which are in carbon paper triplicate: One goes to the individual; one is for the manager; and the third goes in the Rippa Box.

Every three months there is a draw and about 10 people win shopping vouchers. Similar to kudos, our system is about giving instant feedback to someone

who has helped you out in some way.”

Paul Bowler, *Australia*

© 2013 Omar C. Bermudez



How to Get Started

Now it is time for you to start implementing your own kudo box.

1. Secure commitment from upper management to spend a small sum each month on a new rewards system. If management is fearful of the costs, you can agree temporarily on a maximum amount that will be spent per month. (And make it available through a draw of winners.) If management doesn't cooperate
 4. Let everyone know that any employee is allowed to reward any (yet), simply introduce the system without the gifts.
- other person with a small reward, by slipping a note or kudo card in the box. Tell them explicitly that you trust everyone not

2. Implement the practice at a high level, throughout either the whole company or the whole department. If this is not possible, organize and take action.

experiment with one team, but aim to expand it as soon as the practice shows good results.

5. Define the upper limit of the value of the gifts, and give some useful examples (movie tickets, flowers, lunches, gift

3. Create a central mailbox, or place a colorful cardboard box in certificates, cash, copies of this book, etc.). But allow people to a central location, and name it the “kudo box” or choose your be creative.

own local terminology. Print kudo cards and posters to support the new initiative, and give someone responsibility for the

6. Check the box every day, and announce publicly who received kudo box. (If you want, you can download our free kudo card a compliment and why. You might have to bootstrap the designs from m30.me/kudo-cards.)

practice by handing out plenty of kudo cards yourself.

37

Tips and Variations

CARDS

KUDO

AND

OXB

[I use kudobox.co to send nice-look-](http://Iusekudobox.co)

**Remove all barriers to finding the
ing kudos to remote workers. We
cards. Even bending over and open-**

KUDO

**printed our corporate values on the
ing a drawer can be too much work
kudo cards to connect rewards to
New kudo cards should be easily
for some!**

our organization's culture.

**accessible. Place them near the
coffee machine or the water cooler.**

HAPPINESS

FOR

Print the company's purpose on the

GING

**We safely tried the practice in one
cards. It reminds people why they
team and, after it was successful,
I started with a team that had the**

are giving each other compliments.

MANA

we broadened the scope.

worst communication patterns,
just to show the practice works for
everyone.

We organize a weekly roundup of

We give the cards personally. It
new kudo cards; we read them out
makes a lot of difference when you
loud and we celebrate.

look a person in the eye and say,

Have people pin the cards to a

“Thank you.”

dedicated Kudo Wall, preferably in
an area with heavy traffic.

Download the free kudo card

[designs from m30.me/kudo-cards](https://m30.me/kudo-cards).

The design of the kudos can make

Find more ideas at m30.me/

a lot of difference. Make sure the

[kudo-box](#).

cards themselves look happy!



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2

personal maps

Improve Communication and Understanding

40

People should get closer
to the work of others in
order to better understand
what is going on. They can
do this by moving their
feet, moving their desk,

or moving their mike.

Decreasing the distance

between yourself and

others helps to increase

Our main business is not

communication and

to see what lies dimly at

creativity. A great exercise

a distance but to do what

for a better understanding

lies clearly at hand.

of people is to capture

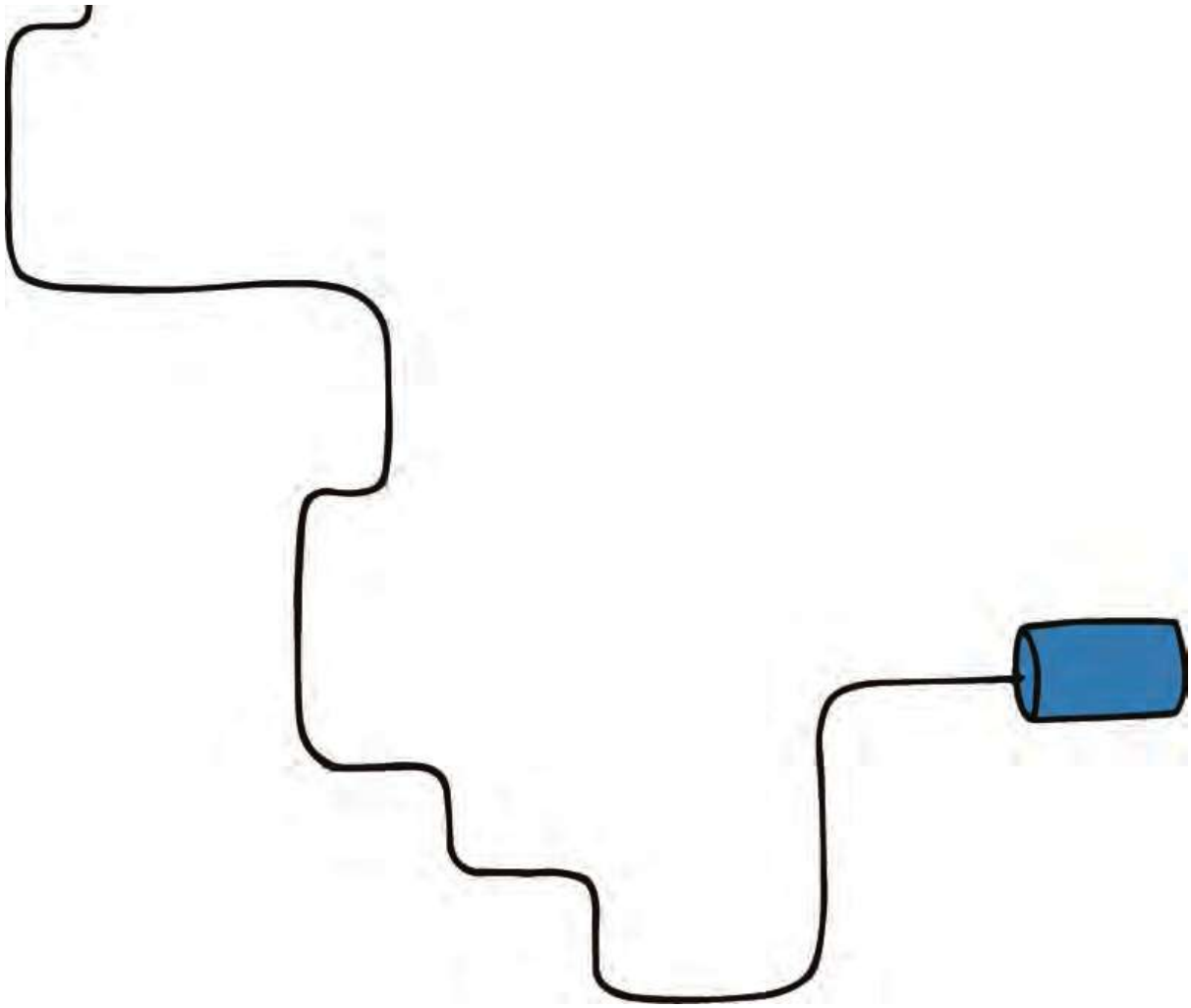
Thomas Carlyle,

Scottish writer

what you know about

(1795–1881)

them in personal maps.



MAPS

PERSONAL

HAPPINESS

FOR

GING

MANA

Raised as a software engineer, I saw developers as unreliable computers with legs, and too much hair. My desperate attempts at program

When I just started as a manager 16 years ago, I had my own big office ming them failed because they rarely followed my instructions. And with a shiny desk, a fast, new computer, and a desk phone with more my attempts at debugging produced some nasty side effects. After a buttons than the ceremonial suit of your average dictator. There was while, I started to see the discrepancy between computer programalso a small workforce, consisting of a dozen or more software develming and people management. I started learning. Now it is my estiopers, to boss around as I pleased. There was just one thing I lacked: I mate that management is 5 percent instruction (what I want done) had no clue what was going on in their minds.

and 95 percent communication (what they need).

Management is 5 percent instruction and 95 percent communication.





When I investigated my communication issue, I realized the solution Whether they intend it or not, people continually disperse informa follows naturally from scientific research, as well as common sense. It tion about their mood, their work, their feelings, their preferences, is crucial to understand the way in which communication flows in an and many other personal attributes and activities.

organization.

are able to pick up on some of that information. For example, when you feel stressed, you inevitably give off signals indicating this, and

someone around you is bound to pick up on these signals and may ask what's amiss. Or when a colleague is working on a tough challenge, you might unknowingly radiate some information that helps solve the problem. The picture on your desk communicates that you have two kids. The background on your computer screen clearly says you like cats. And the shopping bag next to your chair radiates that you're probably having friends over for dinner.

Software development expert Alistair Cockburn explains that the information flow across a team or an organization can be compared to

[the dispersion of heat or gas.](#)¹ Not surprisingly, for the dissemination of information, sitting side by side in the same room is more effective

than having two people sit in private offices next to each other. This,

in turn, is more effective than having two people half a building and

several coffee machines apart. For an optimal flow of communication,

sharing the same room with other people works best because this allows a person to pick up other people's emitted information (either intentionally or unintentionally) which would otherwise never be appreciated. It's the same with heat and gas.

The obvious conclusion is that the effectiveness of collaboration between people heavily correlates positively to their proximity.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



In a study conducted at Bell Labs, researchers tested for factors that determine whether two scientists might collaborate. The best predictor was, you guessed it, the distance between their offices. . . . The probability of collaboration sharply decreases in a matter of a few feet.

Kerry Patterson, [Influencer 2](#)

Sadly, [miscommunication is the norm in all organizations.](#)³ When you understand that distance reduces communication, you can try to improve communication by optimizing your proximity to others. The “how” part of reducing the distance between managers and other

people has been described in many books and articles. The suggestions differ in detail, but most of them boil down to the same thing: People should get closer to the work that is important to them. Of

course, this does not only apply to managers. It applies to any creative worker who is working with other people and is trying to do a good job.

People should get closer to the work that is important to them.

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44

Management

by Walking Around

Some experts suggest that when walking around the people who are important to you, you should not follow a strict schedule, but rather try to do this randomly. You listen to them, talk to them, consult with them, and advise them. At random, you may decide to attend a team's planning meeting, a stand-up meeting, a demo meeting, or you may catch them near the water cooler. (This is far more challenging with remote teams, but we'll address that topic in a moment.) It is im-

portant that you do not give your team the impression that you are *checking up* on them because your aim is better *communication* and *understanding*, and not better *instruction*. It's about managing, not programming. And face-time doesn't have to focus on just work. Social time (during lunch breaks, near the coffee machine, and after work

The advice to walk around in the organization

is often prehours) counts as well.

sented under the Japanese name *gemba* (meaning: "the real place").

The practice of *gemba* states that a person ought to be where people are working in order to understand how well they can do their jobs

Social time turns out to be deeply critical to team

and what they [need from you](#).⁴ But seeing things with your own eyes

also helps to solve any problems people might have. Improvement

performance, often accounting for more than 50 per-

works better when you use facts [and not assumptions](#).⁵ Other terms

you may find in literature are *genchi genbutsu*, ["go and see,"](#) ⁶ [face-](#)

cent of positive changes in communication patterns.

[time](#),⁷ and management by walking around (MBWA). And, in the case

of distributed teams, this could easily become management by flying

Alex Pentland, "The New Science of Building [Great Teams](#)"⁹

around [\(MBFA\)](#).⁸ The practice has more names than His Majesty King

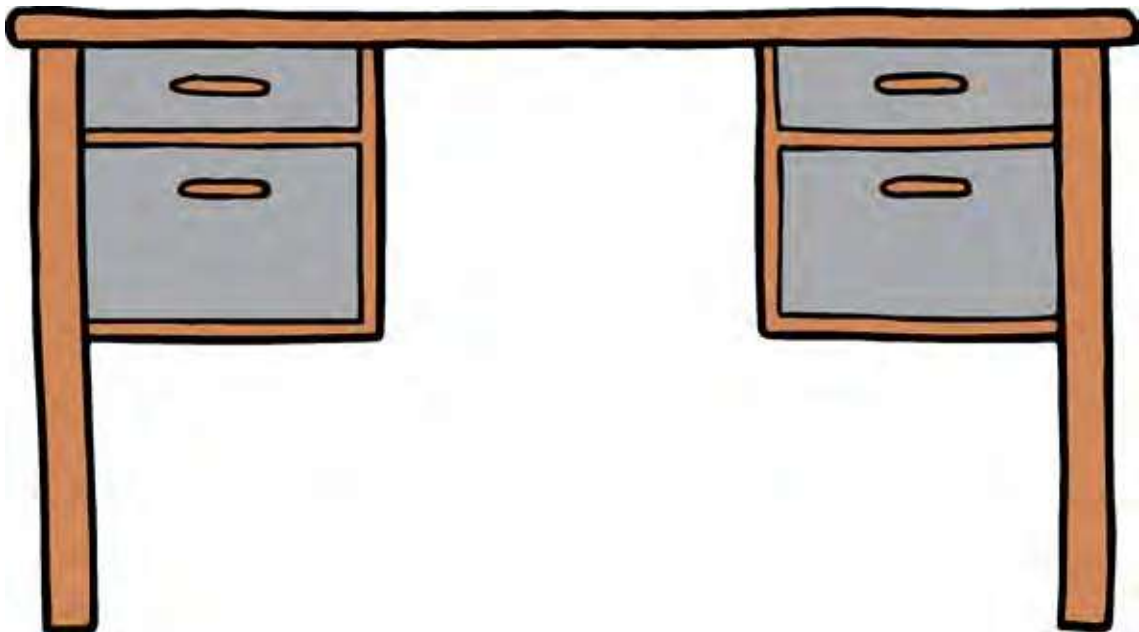
Willem-Alexander Claus George Ferdinand, King of the Netherlands, Despite the fact that walking around is a great practice, I have a Prince of Orange-Nassau, et cetera, et cetera. Therefore, you might small problem with this approach. The problem is that you still have assume it is pretty important.

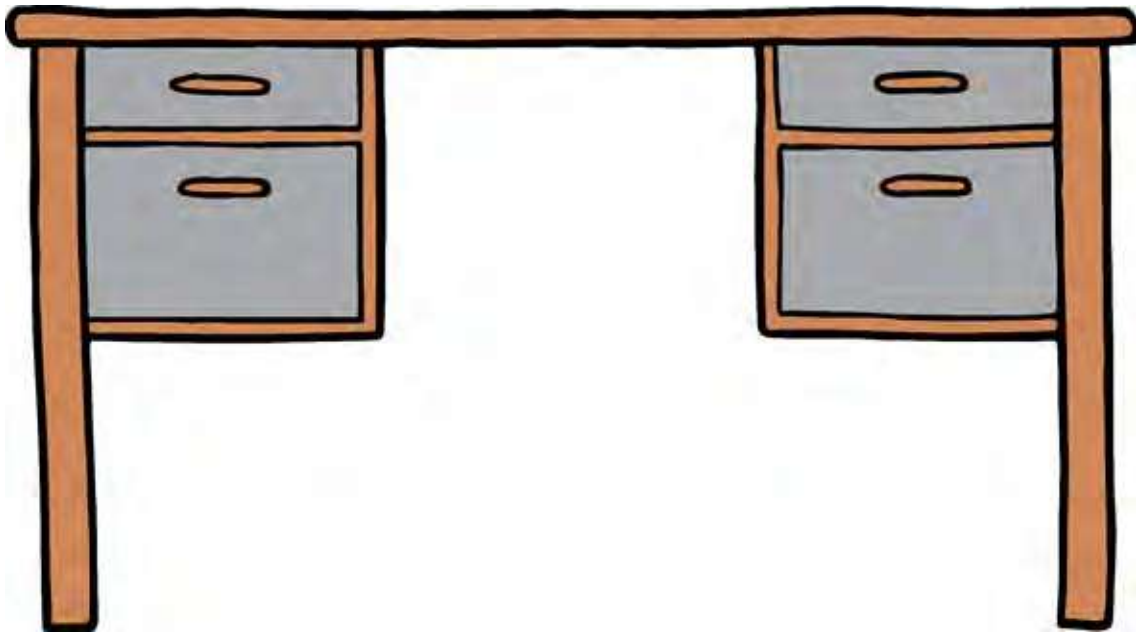
to get up and start walking around. This is great when, like me, you need daily exercise. (And after all, this book *is* about great exercises!) But collaboration with other people, no matter how sincere, may still come off as artificial or stilted if you have to get up from your desk and head out of your office in order to talk to your team.



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46

Management

by Sitting Around

The best computer systems in the world cannot substitute for being there, talking about what's going on and responding at once to subtle situational clues.

Tim Harford, [Adapt 10](#)

After I had moved my desk, no matter what happened, I was always around. This allowed me to pick up more information about what was going on and understand much better what other people cared about. Team members regularly asked for my opinion, something that used to occur only when I happened to be walking around. And I picked up signs of joy and frustration, which I wouldn't have noticed if I had not been there. This convinced me that MBSA (management by sitting around) The more I thought about the idea of walking around, the more I got around)

could sometimes beat both MBWA and MBFA.

the feeling that the practice is suboptimal. Years ago, I realized that

the concept of “being where the work happens” can be taken a step
Interestingly enough, not everyone is of the same opinion. Richard further. I
solved it by picking up my stuff and moving to an ordinary Branson, the
famous founder and chairman of the Virgin Group, has desk alongside with
my team.

It might have been the best manalways practiced the opposite approach. He
prefers *not* to sit with any agement decision I ever made. It vastly increased
the amount of social

of his management teams because, in his view, this could inhibit their

time I could enjoy with my team members.

[creativity and self-reliance.11](#) Instead, he prefers to leave them all to their
own devices most of the time, but he guarantees regular face-time with
everyone by flying around all the time. (This is of course

easy to do when you have your own airline.)



MBSA

“I once worked in a project management role, and The effect for me was dramatic. Suddenly, I felt the it seemed plausible to have a small office with an

pulse of the project and learned of people’s prob

other senior so I could discuss important matters lems directly. I was able to moderate discussions be and make confidential calls.

tween workers, and they now found it much easier

to ask me questions. Another effect was that sitting

At one point, I started to collocate the people who together showed that we were all in the same chain were working on my project because communica

gang on this death-march project. For me as a new

tion between them was bad. I don't remember the manager it was tremendously helpful to build trust.

exact reason, but I also moved from my own cozy Later changes, such as the introduction of agile ap office to where the project was happening. I guess proaches, have been much easier because I had a it was to show that I was not only moving others better understanding of how the team felt.”

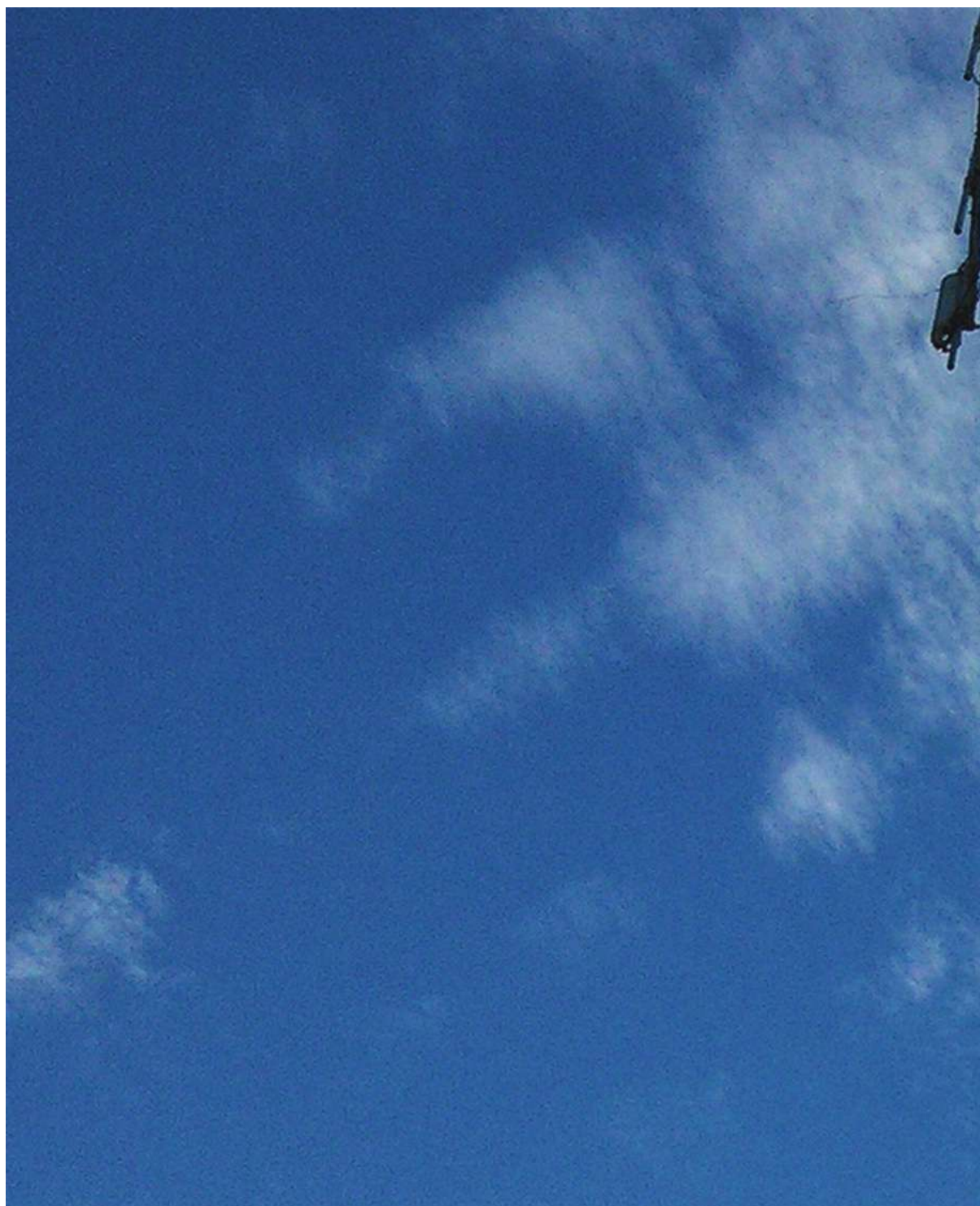
around, but I was moving myself as well.

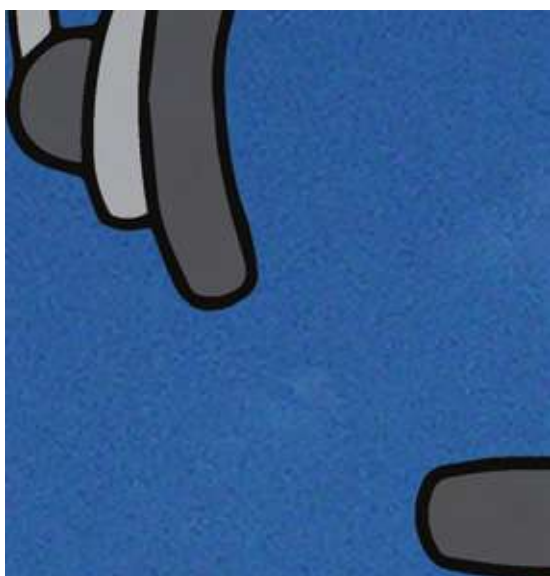
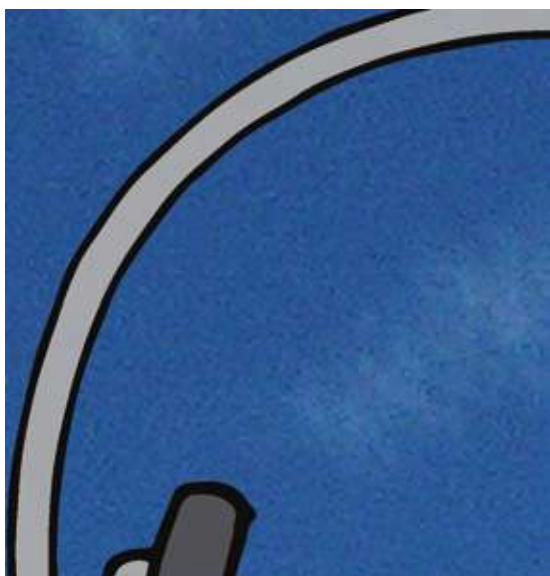
Peter Rubarth, *Germany*

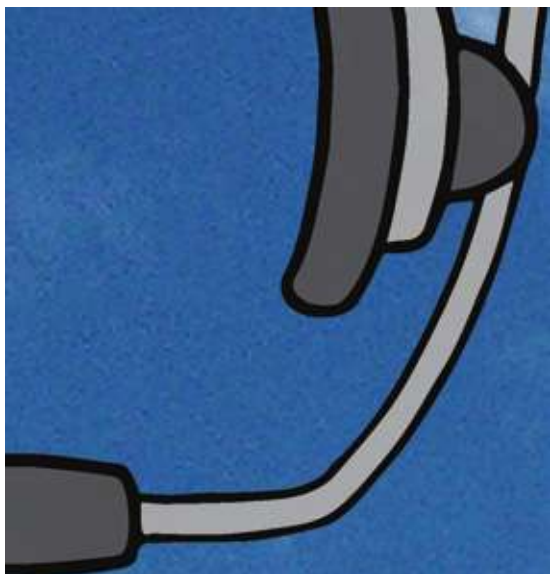
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Management

by Skyping Around

In February 2013, Marissa Mayer, the CEO of Yahoo!, sent a memo The best approach for your organization is to find your own optimum.

to her employees, saying that working from home was not accept

This means asking people to optimize both creativity *and* communiabable anymore, and that all Yahoo!’s remote workers would soon be cation in ways they believe are best. It also means giving them the expected to either relocate to the office or else quit their jobs.¹² She means for high-bandwidth communication across distances, in the said the main reason for this decision was that collaboration and comform of Skype calls, Google hangouts, and any other tools you can munication are improved when people work together in the office think of that include both audio and video.

and when they can see each other face to face. Marissa Mayer was right.

She was also wrong. Plenty of research and case studies confirm that

creative people who work remotely are, on average, *more* productive than their colleagues who work at the office.¹³ Marissa Mayer’s claim that “speed and quality are often sacrificed when we work

from home” might have been true for herself or for some of Yahoo!’s

employees, but, in general, this claim doesn’t stand up to scientific

scrutiny. Richard Branson’s reaction to Marissa Mayer’s decision was,

“Yours truly has never worked out of an office, and never will.”¹⁴

The answer to the question, “Should people work from home or in

the office?” is, as always, “It depends.” People *can* be more creative

on their own when they work remotely, but creativity is fruitless

without a frequent gathering of the minds and mixing of ideas. On the

other hand, communication *can* be improved when people are collocated most of the time, but communication is useless without good productivity, which many people often best achieve *alone*. Somehow,

you must optimize both. Anyone who optimizes one over the other is missing the point.

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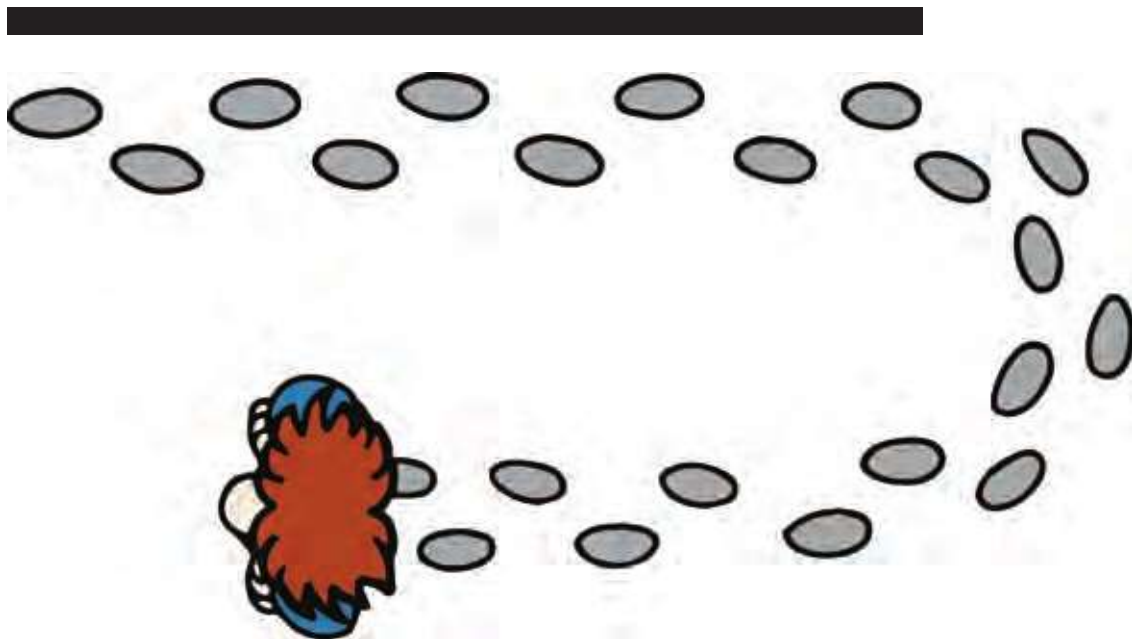
Is the trend toward working remotely good or bad?

In many industries, companies prefer a distributed way but then they com

At the same time, there is an opposite

to keep people together in one buildpensate by frequently getting creative trend among creative businesses to ing and then they try to compensate workers together for collaborative and relocate to shared spaces and city arby giving workers individual offices or productive meetings. (One can think eas where different organizations can cubicles. (Banking, software, and govof entertainment, media, and fashion. work more closely together. Neither ernment come to mind. Maybe Yahoo! And Virgin.) There is indeed a trend direction is good or bad. What's good as well?) In other industries, many among office-oriented companies to is that people try to find an optimum businesses prefer to let people work in allow more people to work remotely. between two extremes.





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The Observer Effect

Communication with coworkers is a crucial habit for everyone in a business. Your proximity to other people can help you create trust. It also doesn't matter if you're a manager, a team member, or an independent worker. You should move yourself around, and you should help create awareness among your team members that you care about what they are doing. Your proximity itself is an information that should help others do the same.

radiator and has an impact on people's work. The consequence of moving around and paying attention to what others are doing is not only improved communication; it can also mean improved behavior and better performance.

But no matter whether you move your feet, your desk, or your microphone, you must keep in mind that objective observers don't exist. When you get closer to other people who are doing work, you are influencing them. This is called the **observer effect** or **observer's paradox**. This doesn't have to be a problem, as long as you are aware of the fact. You

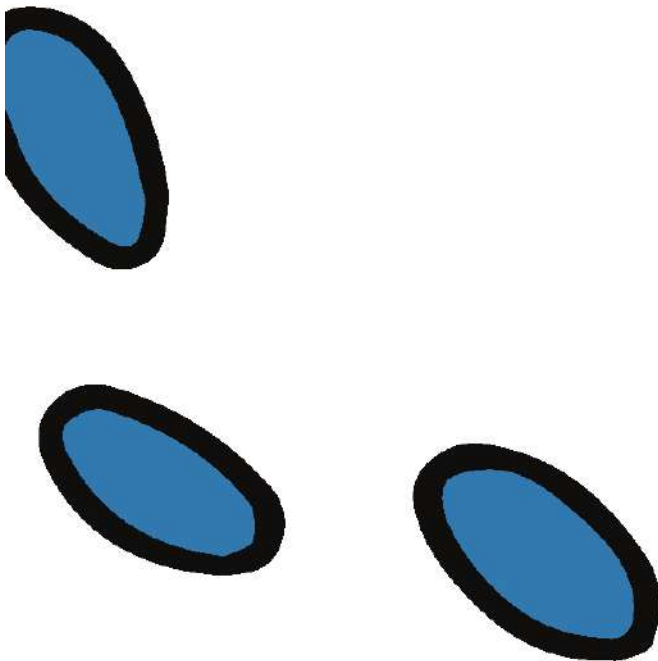
can even use it to your advantage!

When you observe other people doing work,

you are influencing them.

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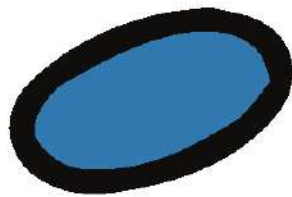










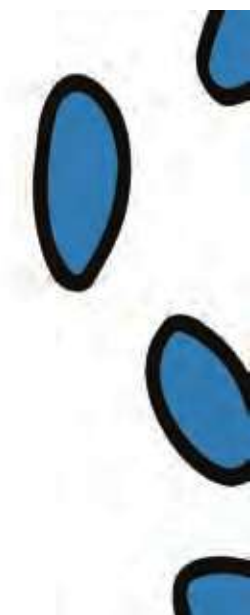
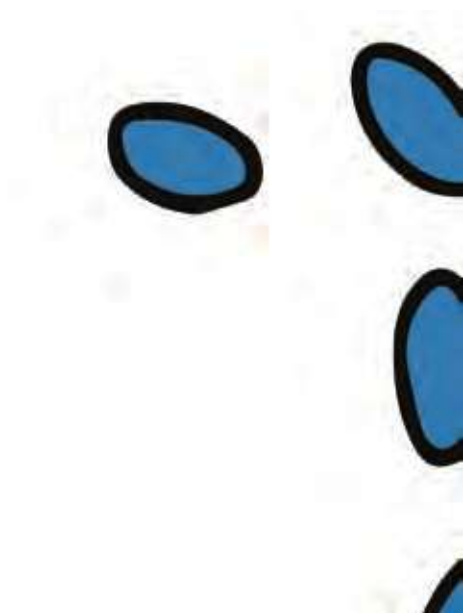






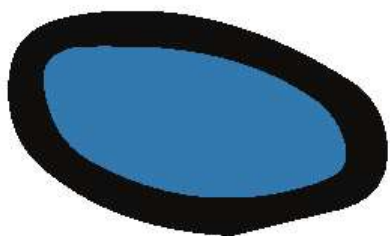
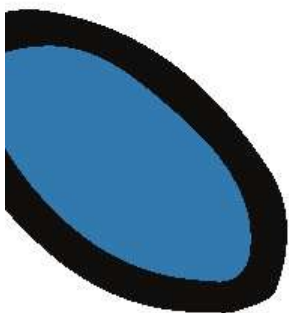
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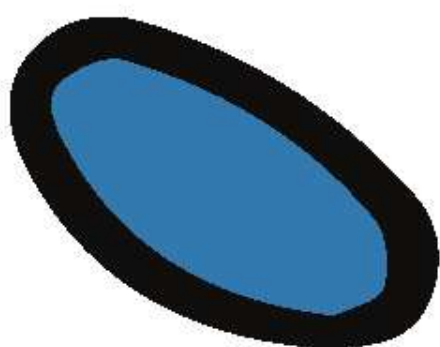




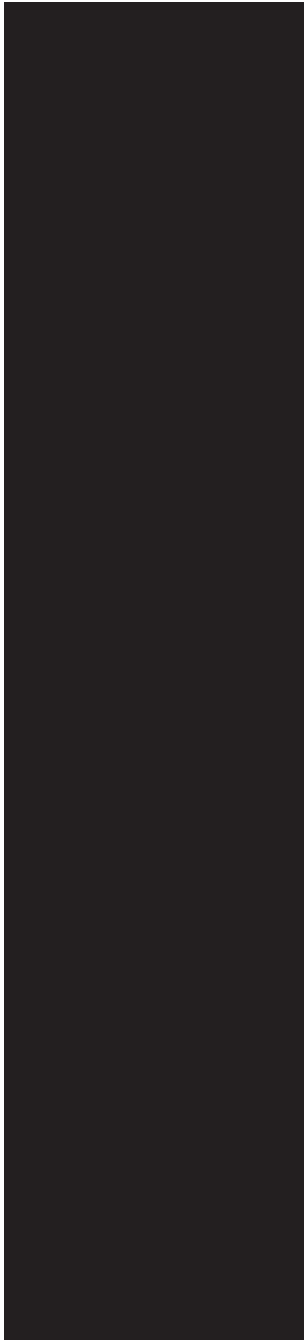




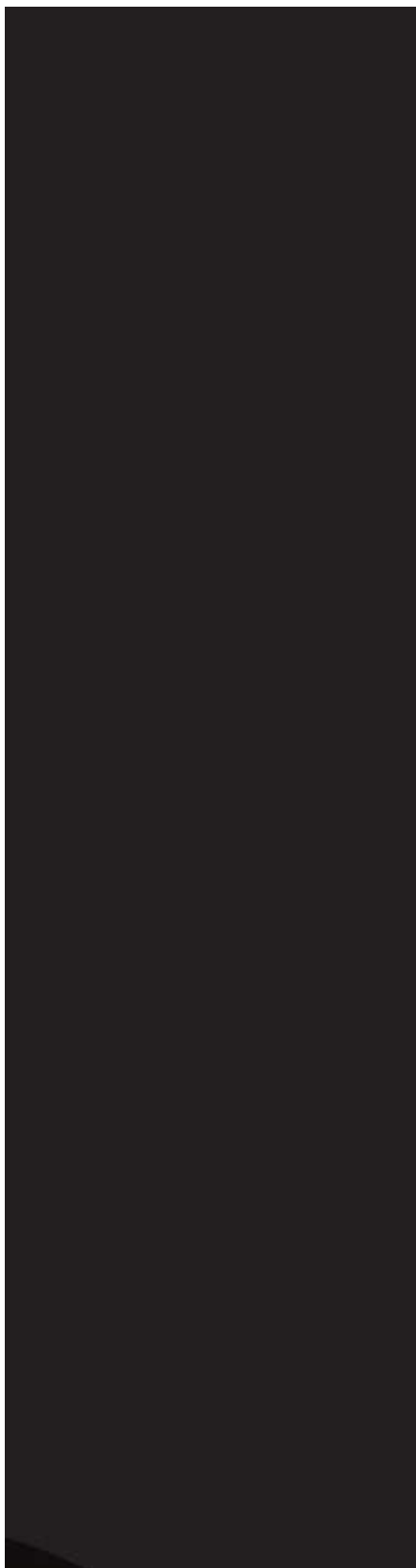












MAPS

I know what you're thinking. Moving around The **First Proximity Principle:**

The **Seco**

ximity Principle:

PERSONAL

sounds like a great idea, but what can you do

if you are involved in many teams? What if the

- Match your proximity to people with the

erse, flexible,

teams work in different buildings or in differimportance of their work.

ent countries? What if you are the founder

HAPPINESS

of 400 companies? My answer is: First, make Is there an important project or deadline?

ou should not allow an important team to

FOR

sure at least one of them is an airline; second, Go sit with that

ving other

figure out a good way to combine the three lagging

communi

GING

approaches mentioned earlier by applying

ights,

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ersity in

our distance to people, which will depend on

ersity of their locations and their work.

Running a productive organization means

finding the optimum between creativity and

communication. Creative people need time

to themselves. If you let them be, don't disturb them with trivial phone calls, and allow

them to work wherever they want, most will

be *more* productive, not less. On the other

hand, some have a tendency to focus a bit too

much on their creative work, not realizing the

organization needs collaboration as much as

it needs creativity. It is up to you to see to it

that both are balanced.

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Great Conversation Topics

I find it hard to stay interested when people discuss the weather, events, such as dinner parties or community gatherings. On the less sports, business, or celebrity gossip. One of the deepest discussions serious side of the communication spectrum, we find personality I enjoyed was when I shared a sauna in Finland with fellow speakers tests, such as MBTI or 16PF, [18 and](#) even horoscopes and numerology, after a conference. We debated politics, philosophy, and the meaning which can all be useful for discussing "typical" personality traits. (You of life in 20 minutes.

may find it hard to believe, but I recently found out that according to numerology, I am a “typical 5,” which has been my favorite number

When I met with my fellow management team members of Happy ever since I was 10 years old.) Melly for the first time, I suggested that we not only discuss ideas,

projects, and tasks, but also some personal stuff. I came up with the Whatever you do to improve communication, keep in mind that suggestion that each of us should ask the others one interesting the best approach to understanding a person depends a lot on that personal question, and we should answer the question ourselves at person’s preferences. What works with one may not work with the the end of each round. The first question, offered by yours truly, was, other. For example, half the world knows that I don’t drink beer and

“What part of your culture do you recognize in yourself?” The other that I need private time each day because I’m an introvert. By offerteam members followed suit with, “What is your favorite movie and ing me a beer after a busy day full of social activities, you commuwhat does this say about you?” “How do you exercise physically?” nicate to me that we’re not socially close. My friends would never

“What is it you don’t understand about other people?” “Which book suggest that. This may actually *reduce* my willingness to open up and changed your view on the world?” and “What happened in your past share my thoughts.

that made you join this team?”

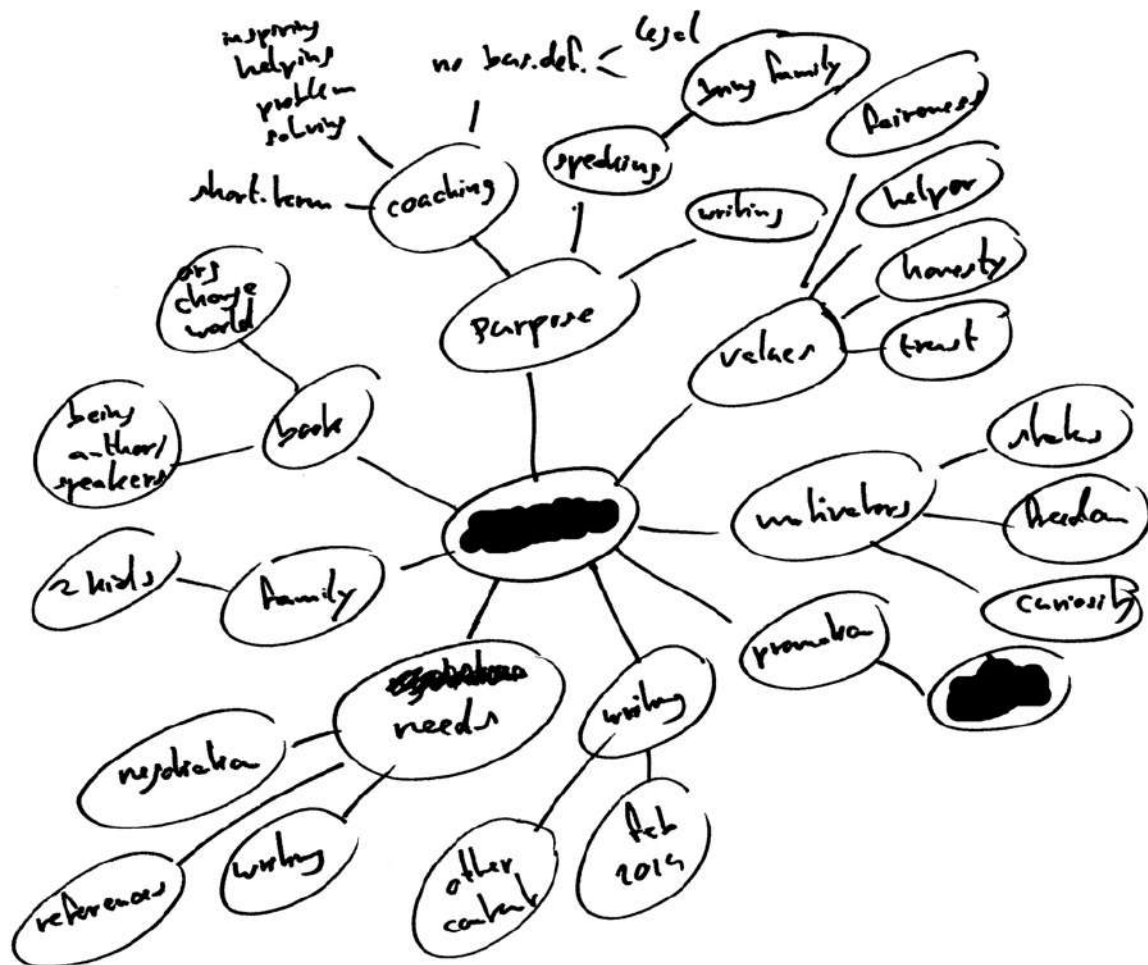
You can make amends by buying me a caffè latte the next morning.

With a little effort, you should be able to come up with dozens of similarly interesting and challenging questions. It could be useful to memorize a few of them so you can ask them of anyone at any time.

You could really impress your colleagues the next time you share a sauna.

Besides asking deep questions, there are plenty of other things

you can do to engage in interesting conversations with fellow team members. You can organize one-on-ones, discuss Gallup's famous 12 [questions,17](#) or you can play delegation poker (see Chapter 3) or moving motivators (see Chapter 10). You can investigate people on social networks, such as Facebook, LinkedIn, and Twitter, or at social



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MAPS

Chit chat

“One point you didn’t explore and

PERSONAL

expand on is to make room for a little
chat during the day-by-day activities.

HAPPINESS

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It is one of those things so obvious, we

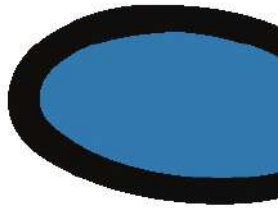
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keep forgetting about it. Whenever

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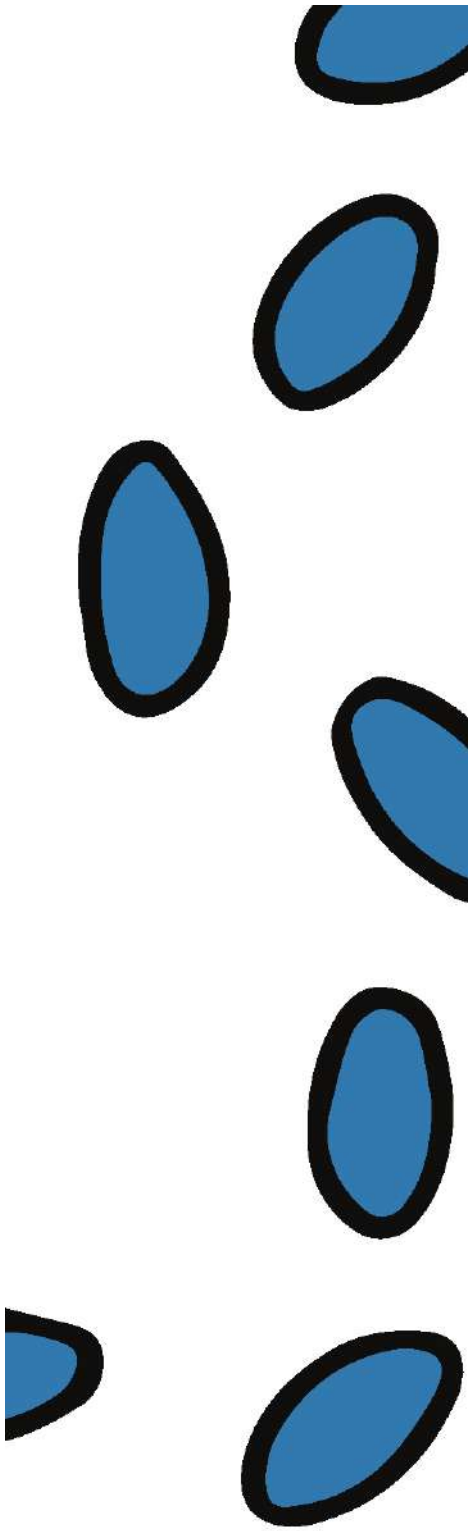
I am in a conversation at work, I have
the habit of starting or closing the
conversation with trivial stuff, just to
confirm the informal relationships we
have together. By doing this I not only
make room for a personal connection;
I also avoid giving people the feeling
that I'm only interested in checking on
their work."

Riccardo Bua, *Belgium*



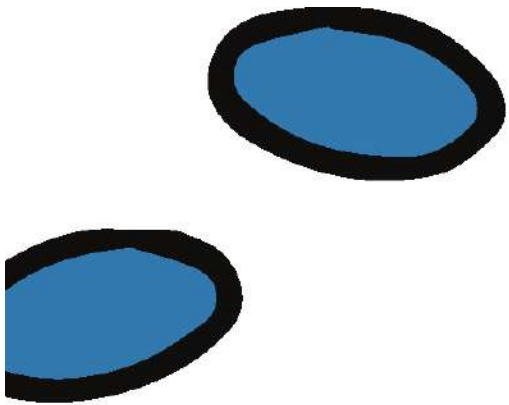




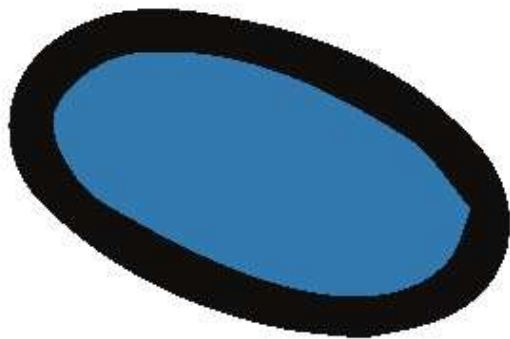


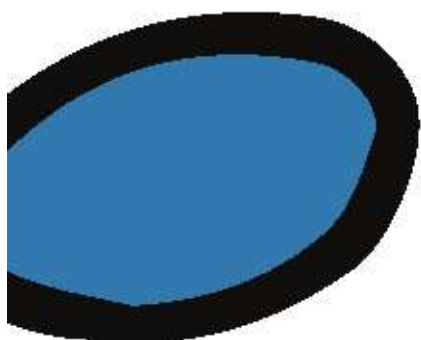




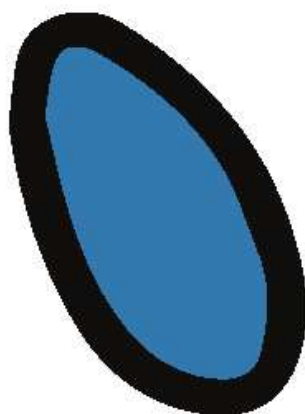
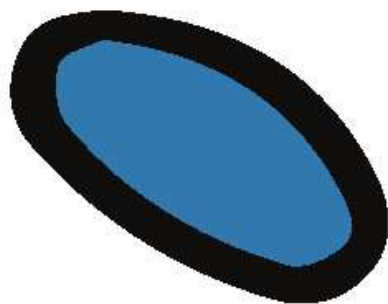












You Are Always

on My Mind Map

In an earlier version of this chapter, I sug

I noticed many times that the relevance of was sitting next to me, but he was graciously

gested that you could draw a proximity map *geographical* distance has been shrinking keeping his mouth shut for a while. Needless indicating where you are, where your most steadily for years, thanks to globalization to say, it was the perfect time for me to have important people are, and how you plan to and technological progress. Unlike a decade a creative thought. And I had one. I suddenly see them regularly. But I was never satisago, the connections to the people closest to realized that we don't need more *geographi*

fied with my own suggestion. I didn't see the me are almost literally under my fingertips. *cal* maps. We need better *mental* maps.

point of praising the merits of flight plans At the same time, it seems that the *mental* and Google maps, and I realized I was on the distance between people has been increas

Mind mapping is a simple but powerful

wrong track.

ing steadily. Those same technologies have technique that allows anyone who can hold

allowed me to be "friends" with thousands of a pen to visualize the relationships between

people I hardly know while quality time with concepts. By creating a **personal map** of my closest friends and relatives suffers from a colleague, you make an effort to better

It's not about geographical distance,

the noise of status updates, photos, videos, understand that person. You start by taking

likes, retweets, +1s, and personal messages a sheet of paper, an empty page in

a note

it's about mental distance.

through a dozen social channels.

book, or a blank screen on your tablet computer, and you write the person's name in the

Jim McCarthy,

An idea came to me during a car trip from middle. You then write categories of interest

keynote at Agile Lean Europe 2012

Amsterdam to Brussels. I was staring around your colleague's name, such as *home,*

in Barcelona

off in the distance while driving, at

education, work, hobbies, family, friends, goals,

tempting to solve an issue that and *values,* and you expand the mind map by

had been bugging me adding the relevant things you know about

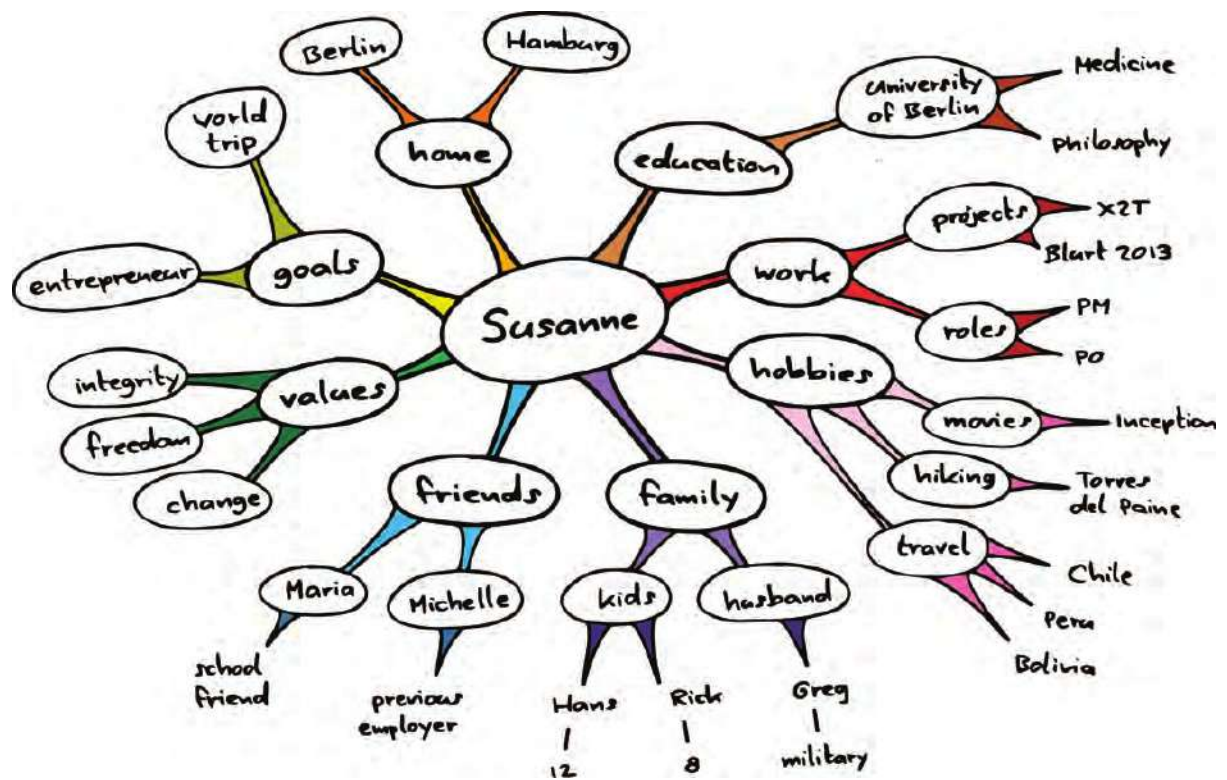
for months. I was this person. Is this person's biggest passion

disconnected his or her dog? Write it down. Did you at from the whole tend the same university as your colleague?

world except for Write it down. Does your colleague hope to

Raoul, who

emigrate to another country? Write it down.



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MAPS

PERSONAL

HAPPINESS

FOR

GING

MANA

By creating a personal map

When you start creating personal maps for your team members, you might be surprised at how little you know about them. The empty of a colleague,

pages stare at you like a glacier at a Patagonian hiker. If this happens,

then it's probably a pretty good hint that you need to organize some
you make an effort

face-time and ask a few interesting questions. You might be surprised
how much people appreciate a genuine interest in their backgrounds,
to better understand that person.

needs, and desires.

56

this is creepy!

In a world where people still remember the immoral scru

Is it wrong for my mother to have a calendar where she

tiny of former secret service agencies such as the KGB or the writes down
other people's birthdates so she can send them Stasi, and where many,
nowadays, loathe the activities of a birthday card? Is it wrong for me to copy
e-mail addresses the American NSA and its counterparts worldwide, it is no
from business cards so I can invite my contacts to my book wonder that I
sometimes get the question, "Isn't it wrong to launch? Is it wrong for you to
write down a few personal collect information about people?"

notes about coworkers so that you can help them to feel

Well, it depends on how secretive you are and what you do engaged, improve
their work, and delight your clients?

with the results.

How to Get Started

4. Evaluate the mind map you have just created and recognize

where you have empty areas. Decide what would be the best

1. Grab a sheet of paper and write the name of one of your team

approach to improving communication with this person and

members. (If you don't have any, try writing my name.)

filling in the blank spots on your map. (Adhere to the first proximity principle.)

2. Write the words *home*, *education*, *work*, *hobbies*, *family*, *friends*, *goals*, and *values* around the name, and connect those words

5. Do the same with other people. Think about how you can use with the name in the middle.

different approaches with different people in order to enjoy optimal face-time with all of them. (Adhere to the second

3. Now, work toward the outer edge of the paper, writing words, proximity principle.)

names, and concepts that you are able to recall about this person, and connect them to the words you had already written. (If you

6. Get an office chair on wheels, and connect it to Google wrote my name, try to find the hints I gave throughout this text.)

Navigator. (Just kidding.)

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Tips and Variations

MAPS

PERSONAL

The personal maps exercise is a

I keep helpful notes about my

great icebreaker in workshops.

**We make papers available with a
colleagues: their birth dates, names**

**While people arrive, get them
few empty bubbles on them. This
of their kids and partners, and how
HAPPINESS**

**started on drawing their own.
makes it easier for people to get
they like their tea or coffee.**

**FOR
started.**

GING

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**Have colorful pens, markers, or
I organized a personal maps exer
pencils available. Some people can
Put all personal maps of people on
cise as part of a team retrospective.
better express themselves with
a wall and try to find similarities
colors.**

and differences.

Take photos of the mind maps (with

permission) and share them on the

Instead of my name, I prefer to

Ask people to present each other's

company's social Web.

start with something else in the

personal maps and ask questions

middle. For example, my purpose

about them.

in life.

Hang them near a watercooler or

coffee machine, so that people

Do NOT let people present

have something to talk about.

We found that it helps to have

their own personal maps. Some

examples available. People get

people go on and on talking about

more creative when they can see

themselves!

what others are doing.

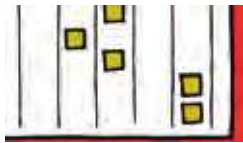
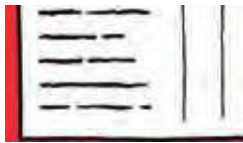
Find more ideas at m30.me/

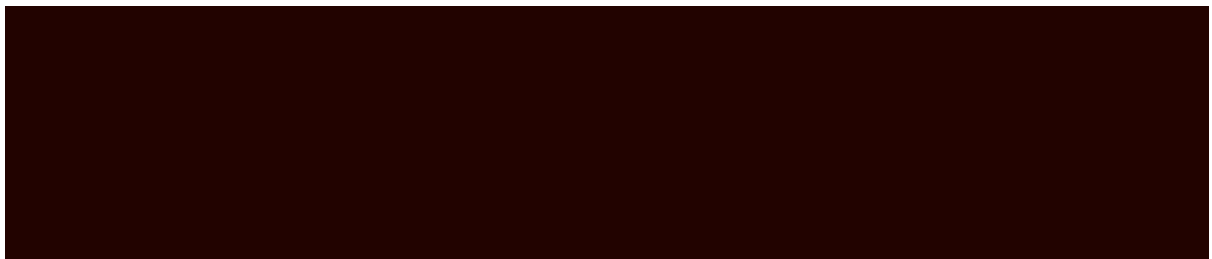
[personal-maps.](http://personal-maps.com)



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3

delegation boards

and delegation poker

Empower Workers with Clear Boundaries

60

Delegation is not easy.

Managers often fear

a loss of control when

It is said that power

considering allowing

corrupts, but actually

teams to self-organize,

it's more true that

and creative workers

power attracts the

sometimes don't know

corruptible.

how to self-organize. A

The sane are usually

delegation board enables

attracted by other things

management to clarify

than power.

delegation and to foster

David Brin,

American scientist

empowerment for both

(1950–)

management and workers.







I once went horseback riding on a mountain in Chile. The trip lasted four hours and a guide led four tourists, including me, through an Andean forest. During our ascent of the tree-covered mountain, I wondered why my horse would stop occasionally and glance backwards until the guide offered an explanation. She suggested that I should

keep my horse away from the other horses and preferably let it drop

back to last in line because my horse was known to have a bad temper. Mine was the only white horse among four black horses, and our guide explained that horses can be as xenophobic as humans. My poor

white horse had been traumatized as a result of being mistreated by

the black ones, and my horse wouldn't hesitate at a chance to kick the others in the head.

Sure enough, at an unexpected moment, when

we were relaxing and enjoying the scenery, my fierce white horse

bolted toward my partner's discriminating black horse. The black one

had probably given mine a funny look or nickered something insulting, and I could barely prevent my animal from biting the black one's eye out. If I had

not masterfully and heroically handled the reins, we might have never married. I mean a marriage with my partner, of course, not with the horse.

Managing an organization is like leading a horse. Some organizations are like the powerful, lean horses we see on the racetracks. Others are like the sturdy horses that pull carts full of groceries. Some organizations are like horses in Chile carrying bored tourists and heroic writers. Other organizations may best be compared to pink, fluffy unicorns. Whatever kind of horse your organization is, I'm sure

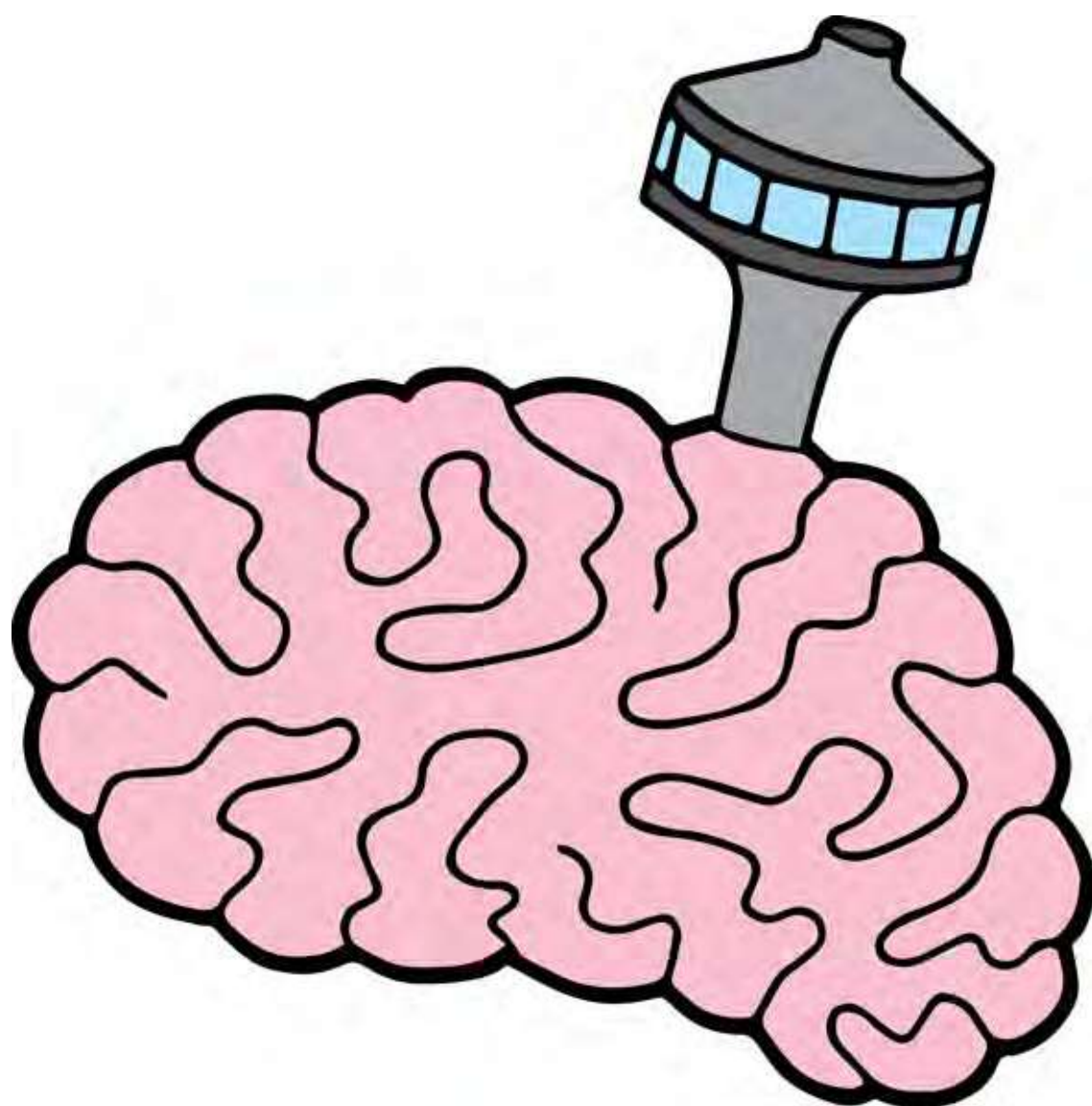
Managing an organization

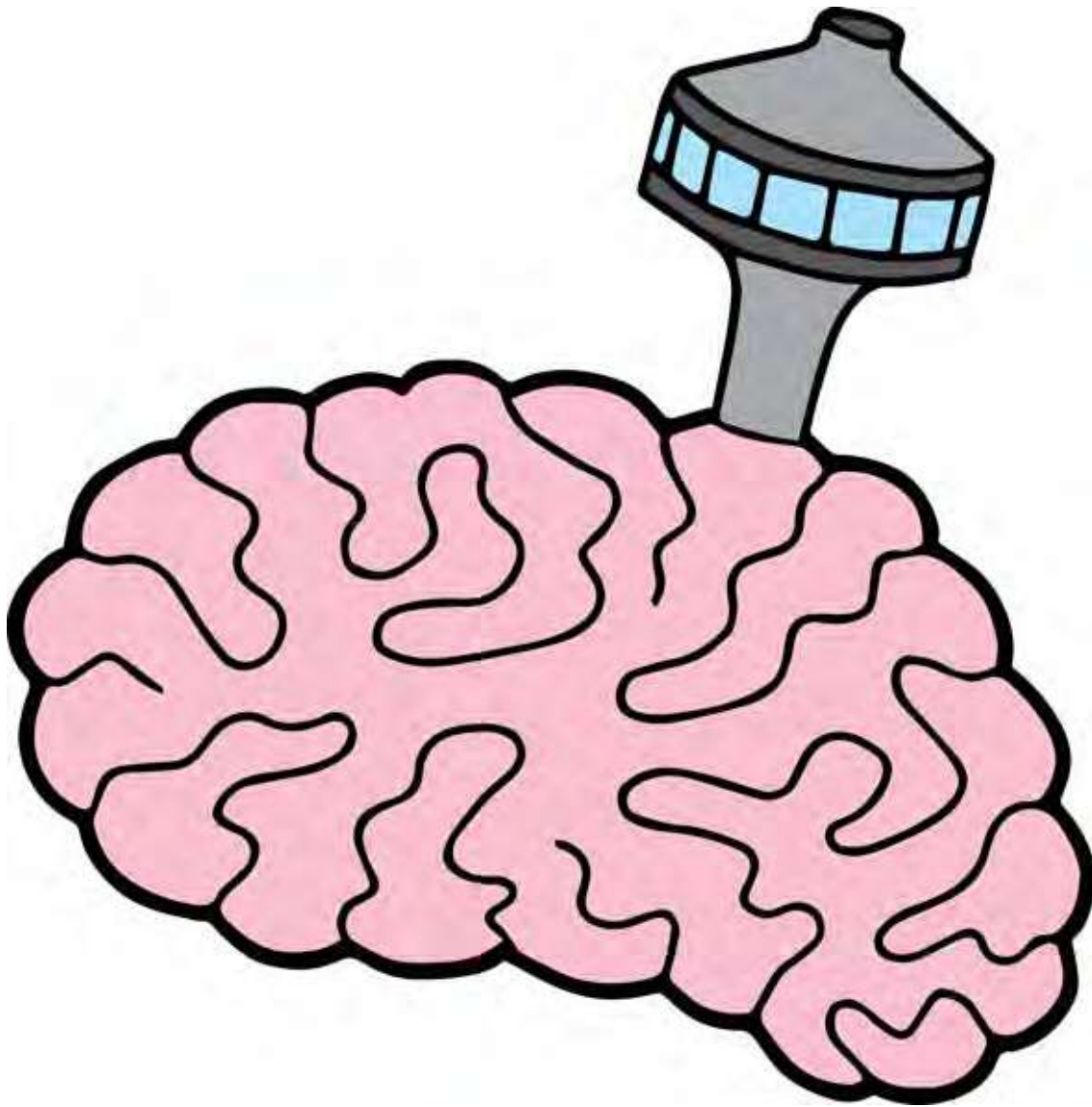
it needs care, food, love, grooming, currying, brushing, and an occasional firm tug on the reins.

is like leading a horse.

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<http://www.flickr.com/photos/jurgenappelo/2187607918>





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Distributed Control

Let's dismount from the horses and climb onto organizations. Someit down. And if your heartbeat were managed by just a few cells, you one close to me has a very inquisitive boss. She's always busy checkwouldn't survive long enough to read the remainder of this book.

ing everyone's work and has remarks, criticism, and corrections for everything. It's not surprising that the workers are a bit scared of her, especially because she can respond like a rabid dog whenever she finds something objectionable. Meek horses and vicious dogs don't

go well together.

In her defense, as the manager of a government agency, she has a lot of responsibility. She is held accountable for everything that is produced in her office. Therefore, it's crucial that she keep an eye on things; isn't it? That sounds reasonable. But people behave according to how they are treated. When the boss always corrects everything you deliver, why bother producing a polished result? It'll all get changed anyway!

Thus, the quality of the work goes down, and the boss has to tighten control even more. An intrusive management style generates continuous confirmation that the boss's worldview is correct. The workers *are* sloppy, and they *do* deserve some growling and snapping! If the

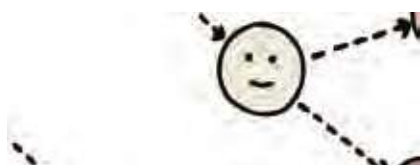
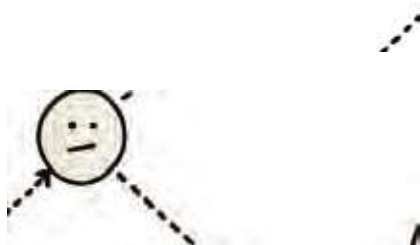
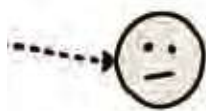
horse is used to being bitten, it will only move forward when being bitten. Here we have a perfect [example of a self-fulfilling prophecy.1](#)

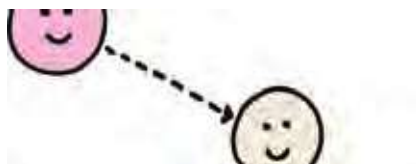
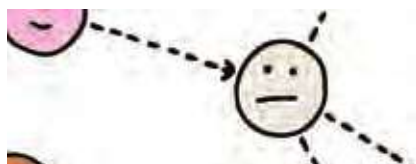
We can only escape this typical management trap and increase the quality of work when we distribute control in our organizations. All around us (and inside us) complex systems self-organize successfully *because* control is rarely centralized.

There is no master

T-cell that controls your immune system, no primary pacemaker cell that regulates your heartbeat, and no central neuron in your brain

to create consciousness. In complex systems, control is typically distributed among the parts. And that's a good thing! If your immune system had a control center, it would be very easy for viruses to take







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So, why not get rid of the hierarchy

AND

completely?

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Companies differ from natural systems because of *legal authority*. The people in an organization are not allowed

HAPPINESS

to break any laws. Managers are *authorized* by the busi

FOR

Another reason for distributed control can be found in the **darkness** ness owners to hire and fire people, to commit the whole

GING

principle. This principle says that each part in a system is not aware of all the behaviors that occur elsewhere in the system. If one part business to services and payments by signing contracts

MANA

“knew” the entire system, the complexity of the whole system would have to reside in that single part. The darkness principle explains that with customers and suppliers, to take care of the money each worker has only an incomplete mental model of all the work. And the same goes for the manager too! Only the whole organization that goes in and out of the organization, and to delegate understands all the work. That is why it’s best to distribute control among everyone.²

work to other people. This all passes through the orga

Complex systems survive and thrive *because* control is distributed.

nization in a hierarchical fashion to enable *traceability of*

It is why the Internet cannot be destroyed. It is why terrorist groups form independent, self-organizing units. And it is why organizations *authorization*.

As far as I’m concerned, that’s one of

require workers to have a high level of control over their own work.

A top-down style of management is undesirable because it stifles an the very few things for which a hierarchy can be useful.

organization’s ability to deal with complexity.³

Employee Empowerment

What scientists call distributed control is usually called **empowerment**

Management literature cites plenty of arguments in favor of em

ment by management consultants. However, some experts don't like powerment, such as improving worker satisfaction, increasing profit term.^{4,5} The word seems to suggest that people are "disempowerment, [and strengthening competitiveness.](#)⁷ All of these are true.

ered" by default and need to be "empowered" by [their managers.](#)⁶

But never forget that the real reason for empowerment is to improve

Perhaps that was indeed its original meaning, and I agree that this system effectiveness and survival. We enable the organization to could be seen as disrespectful.

have more resilience and agility by delegating decision making and

distributing control.

On the other hand, I believe networked systems are more powerful

than hierarchical systems because it's so much harder to destroy. Unfortunately, empowerment sounds easier than it is. For some organizations, it requires a total culture change, which doesn't happen overnight. By distributing control in an organization, we not only empower workers, we also empower the managers. Maybe we should try. This is one of the reasons why many empowerment programs, see it as empowerment of the *system*, not of the *people*. Remember despite the best intentions of those involved, often don't provide in the last time you were sick? I bet you felt quite powerless as an in

[mediate results.8 But there is no alternative.](#) The organization *must* be individual person against that tiny distributed virus. I'm just glad your empowered so that people can make their own decisions. All over the distributed immune system was even more powerful, or else I would world, creative networkers are becoming better educated and better have one less reader!

able to take matters into their own hands. And the more educated

people are, the less effective [authoritarian power is.9 In many](#) organizations, teams understand their work better than their managers do. Most horses know quite well how to eat, run, and not fall off a cliff

without detailed instructions from their riders. Therefore, the primary

[concern of management should be empowerment, not supervision.10](#)

We aim for a more powerful system, not better-controlled people.

We should see it

We just need to learn how to implement this system better. It's time

for managers to dismount from their rocking horse and learn how to

as empowerment of the system,

handle a live one.

not of the people.





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Defining Boundaries

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All I know about horses is what I picked up from fantasy literature.

I know they often have saddles, bridles, spurs, bits, shoes (not Ital

DELEGA

ian), and long, beautiful manes that always blow the right way when warriors need to stab an enemy to death. The ones who just sit on

AND

a wild horse and yell “yee-haw!” are usually dead before page 50.

ARDS

BO

I compare teams and organizations—not people!—with horses, and

TION

I believe in mutually respectful relationships between horses and their caretakers. The caretaking of horses includes giving direc

DELEGA

tion and setting boundaries. Quite often, when managers delegate work to teams, they don’t give them clear boundaries of author

[ity.](#)¹¹ By trial and error, teams need to find out what they can and cannot do, usually incurring some emotional damage along the

HAPPINESS

way. This was described by Donald Reinertsen as the “discovery of [invisible electric fences.](#)”¹²

Repeatedly running into an electric

FOR

fence is not only a waste of time and resources, but it also kills mo

GING

tivation, and it ruins the coat of the horse. With no idea of what the invisible boundaries are around it, the horse will prefer to stand

MANA

still or kick another in the head.

Reinertsen suggests creating a list of **key decision areas** to address the problem of not setting boundaries. The list can include things like working hours, key technologies, product design, and

team membership. A manager should make it perfectly clear what

the team's authority level is for each key decision area in this list. It also works the other way around. A team usually delegates work to When the horse can actually *see* the fence, there will be less fear management, such as rewards and remuneration, business partner and pain. And the farther away the fence, the more the horse will ship, market strategy, and parking space. The horse is not required to enjoy its territory.

to simply accept any kind of boundaries, constraints, and abuse. Nature gave the horse strong teeth and hind legs for this very reason.

My fierce white horse in Chile used them well.

OP08 KOEN	1 TELL	2 SELL	3 CONSULT	4 ACQUIRE	5 ACQUIRE	6 ACQUIRE	7 ACQUIRE
SALARY							X
OFFICE SELECT					X		
HIRE				X			
SEATING	X						
PROJECT ENDO					X		
VISIT ASHL		X					
APPRAISALS			X				
HOW		X					
PROJECT MAN.			X				
ACQUIRE					X		

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The 7 Levels of Delegation

Distributed control in a complex system is achieved when authority 1. **tell** is pushed into all corners of the network. However, people prefer not You make a decision for others and you may explain your to “lose control.” Therefore, in order to make them feel safe, we must motivation. A discussion about it is neither desired nor assumed. play along with the assumption that they have at least some control 2. **sell** over their situation. That’s why a person wanting to delegate can ben You make a decision for others but try to convince them that efit from the use of the *seven levels of delegation*.[13](#) you made the right choice, and you help them feel involved.

3. **consult**

You ask for input first, which you take into consideration before making a decision that respects people's opinions.

4. **agree**

You enter into a discussion with everyone involved, and as a group you reach consensus about the decision.

5. **advise**

You will offer others your opinion and hope they listen to your wise words, but it will be their decision, not yours.

6. **inquire**

You first leave it to the others to decide, and afterwards, you ask them to convince you of the wisdom of their decision.

7. **delegate**

You leave the decision to them and you don't even want to know about details that would just clutter your brain.

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POKER

TION

The seven levels of delegation are a symmet

- A CEO has set mergers and acquisitions at delegation level 1 and therefore simply **tells** all DELEGA

rical model. It works in both directions. Level

employees in an e-mail about the takeover of another company.

2 is similar to level 6, when viewed from the

AND

opposite perspective. And level 3, asking for

- A project manager has set project management method at delegation level 2, and

ARDS

input, is the reverse of level 5, which is about

therefore he **sells** the idea of introducing an agile project management framework in the BO

offering input.

project team.

TION

The seven levels of delegation should *not* be

- Team members have set vacation days at level 3, and therefore they **consult** their fellow DELEGA

applied to individual tasks and deliverables.

team members first whenever one of them wants to go on a vacation.

Instead, they should be applied to key decision areas. Defining key decision areas is

- The facilitator of a workshop has set topics and exercises at level 4 and therefore

analogous to erecting a fence around the

discusses the available options with her class; together, they **agree** on the details of the HAPPINESS

horse. Increasing and decreasing the delegaprogram.

tion level (per key decision area) is similar to

FOR

tightening or loosening the reins while riding

- A consultant knows that key technologies for his customer are set at level 5 and

GING

the horse.

therefore **advises** his customer about which technologies to use, but he lets the

customer make the final call.

MANA

The seven levels of delegation can be used

to define how decision making is delegated

- A mother knows that boyfriends cannot be anything else than level 6, and, therefore, she from a manager to an individual or a team,

gently **inquires** about the name and background of her daughter's latest object of desire.

from a team or individual to a manager, and

between individuals or teams in a peer-to

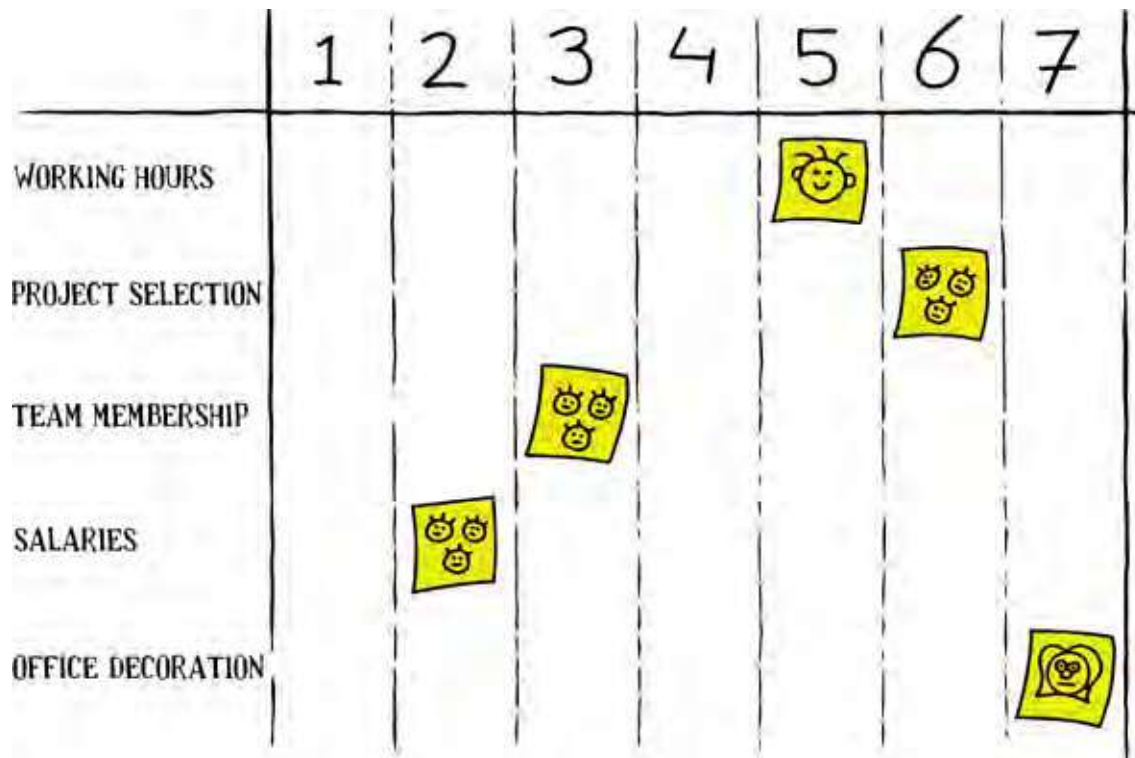
- A writer **delegates** printing and binding at level 7 to his professional printer because, as peer manner.

a writer, he has absolutely no clue how to get his words stuck onto the thin slivers of a

deceased tree.

Some examples:

The right level of delegation is a balancing act. It depends on a team's maturity level and the impact of its decisions. Distributed control in an organization is achieved when delegation of authority is pushed as far as possible into the system. However, circumstances may require that you start by telling or selling, gradually increasing the delegation level of team members and widening their territories.



OP08 KOEK	1 TEL	2 SELL	3 CONSULT	4 ACCE	5 APPEL	6 ILLUSTR	7 BORE
SALARY						x	
OFFICE SELECT					x		
HIRE				x			
SEATING	x						
PROJECT ENDO					x		
VISIT ASHL		x					
APPRAISALS			x				
HOW		x					
PROJECT MAN.			x				
ACQUIRE					x		

	1	2	3	4	5	6	7
WORKING HOURS							
PROJECT SELECTION							
TEAM MEMBERSHIP							
SALARIES							
OFFICE DECORATION							

	TELA	SALA	Czynny	Pozycja	Przebieg	Przebieg	Przebieg
DELEGACJE							
Wpisanie 2 godzin w biurze							
Przebieg na ser							
Przebieg							
Zadanie							
Przebieg - Dostaj							
Przebieg - Dostaj							
URLOPY							
Zmiana w k. k. r. c.							

68

The Delegation Board

Empowerment

boards

There is an easy tool people can use to communicate the type of delegation between a manager and a team, or between any two parties.

This tool can also help both parties be open and transparent about

Originally, I referred to these boards as authority

what they expect from each other. I call it the **delegation board**.

boards, but I think delegation boards sounds better. Now, I have people suggesting that maybe they should be called empowerment boards because

empowerment is what we aim for and is what the

tool achieves! I've gotten used to the term delegation board myself, but please feel free to call them empowerment boards if you prefer.

It is a physical board (or a spreadsheet, or the window that looks out onto your neighbor's kitchen) that vertically lists a number of key

decision areas that someone delegates to others. In the horizontal dimension, the board shows the seven levels of delegation. For each key decision area, the board has a note in one of the seven columns, clearly communicating to everyone how far authority is delegated in that area.

Are people somehow involved in the decision process

(level 3: consult)? Is their agreement on certain topics required (level

4: agree)? Are they expected to inform the manager about their decisions (level 6: inquire)? The delegation board can tell everyone.

© 2015 Mateusz Gajdzik

Stand-up meetings, retrospectives, and one-on-ones can reveal rather than the people in their organization. I have no problems telling confusion about authority (who gets to decide what), which can be managers that they can “control self-organization” with a delegation resolved with the delegation board (or empowerment board). For board when this gives people clarity of boundaries and an opportu

example, new key decision areas with unclear authorization can nity for expanding their territory.

TION

be listed, or specific people/teams can be identified and listed by name (or a crude approximation of their physical appearance) using

DELEGA

the notes on the board. Furthermore, as in the case of regular task boards, the notes can move from left to right, indicating that more

AND

and more control is being delegated from one party to the other. In

Self-organization

ARDS

fact, by visualizing delegation like this, there might be an *urge* to have

BO

things flow steadily from left to right!

gone too far

TION

Teams don't have to wait for managers to create a delegation board.

When a team needs more clarity about the control of its territory, the

Even with my own workshops, I struggle with delega

DELEGA

team members could simply visualize their assumptions with a board

and ask their manager to come and have a look. Of course, the one

tion regularly. I recently saw on Twitter the announce who delegates control is the one who decides where to put the notes, HAPPINESS

but the ones who do the delegated work are responsible for agreement that I would be running an event in Germany. That ing to their accountability! And remember, teams also delegate work.

FOR

There is nothing to prevent them from defining *another* board with

was a surprise to me. I didn't know! Apparently, local

GING

other key decision areas.

organizers had applied delegation level 7 and forgot to

MANA

Teams don't have to wait for managers

involve me in their decision. Who was at fault here? *I*

to create a delegation board.

was, of course! I had not properly communicated the

The delegation board is useful in various ways. It models the creation

key decision areas and delegation levels for my work of boundaries and the balancing act of authorization, both of which are needed to get the best out of self-organization. Second, by visualshops. I added the delegation board to my website in a izing key decision areas and delegation levels, the board can act as

an information radiator, influencing and directing anyone who takes

matter of days. It was a great reminder for me to apply

a closer look at delegation. Last but not least, a delegation board

gives managers something to control. When they feel they are losing

the exercise to my own work!

control, I prefer to see them pushing around some notes on a board

70

Delegation Poker

The delegation poker game was first played at a scrum gathering *You wish to involve existing team members in the recruitment of new event* in Amsterdam in 2010. Since then, I have played it with people *employees*. *What delegation level will you give them for hiring decisions* at hundreds of events worldwide, and always with great success.

concerning various job candidates?

The purpose of the game is to teach people that delegation is not a Last of all, it is important that participants can refer to the seven binary thing. There are plenty of shades of gray—or colors—between levels of delegation while they're playing the game. I usually show being a dictator and being an anarchist. Delegation is also a stepthe seven levels projected or taped on the wall. A handout is also by-step process. You hand over responsibilities to other people in a quite useful.

controlled and gradual way. And delegation is context dependent.

You want to delegate as much as possible, but if you go too far, chaos might unfold.

Rules of the Game

The game is played with a small group of people (usually three to

seven). Each participant gets a set of cards numbered 1 to 7, which **The participants will (repeatedly) perform the following steps:** correspond to the seven levels of delegation. They can use the “official” Management 3.0 cards ([see m30.me/delegation-poker](https://m30.me/delegation-poker)), but it's 1. The group picks a key decision area and makes sure everyone also easy to let people self-organize and create playing cards out of

understands what it means.

sticky notes, laser printer paper, or the CEO's business cards.

2. Every player *privately* chooses one of the seven cards, which

At the start of the game, you ask the group what kind of key decision

reflects how far they would delegate decision making if they

areas they would like to discuss. I often give the simple example of whether the manager.

vacation days. Does the manager tell everyone on which days they should

have their vacations (delegation level 1)? Probably not. Does the manager accept it as a daily surprise who is working and who is not (delegation level 7)? Again, probably not. Most likely, the key decision area of

“taking vacation days” is delegated to a level somewhere in between 4. The choices people made will probably be different. Let the group decide which other areas they want to explore.

people with the highest and the lowest cards explain their choices. Tool selection? Office layout? Project deadlines? Remote working?

choices.

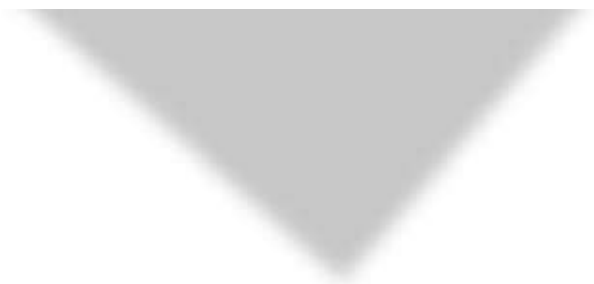
Financial compensation? For some groups, it is useful to have a set of

pre-defined cases for people to discuss. For example, in my workshops, 5.

Ask the group to achieve consensus about one delegation level I often offered

people 10 management stories, such as this one:

(or perhaps a small range).











quire

quire
y decide





6



Inquire

I will inquire
after they decide

5



dvice

ll advise
hey decide



5



Advise

I will advise
but they decide

4



Agree

We will agree
together









2



Sell

I will try and
sell it to them

1



Tell

I will tell them

POKER

TION

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You can suggest that groups play the game again for the same story when the difference between the highest and lowest cards is high.

You can ask them to create a delegation board where they visualize which decisions they have made together by consensus.

It is obvious, but perhaps still necessary, to note that self-organizing teams do not decide for themselves what the “correct” delegation

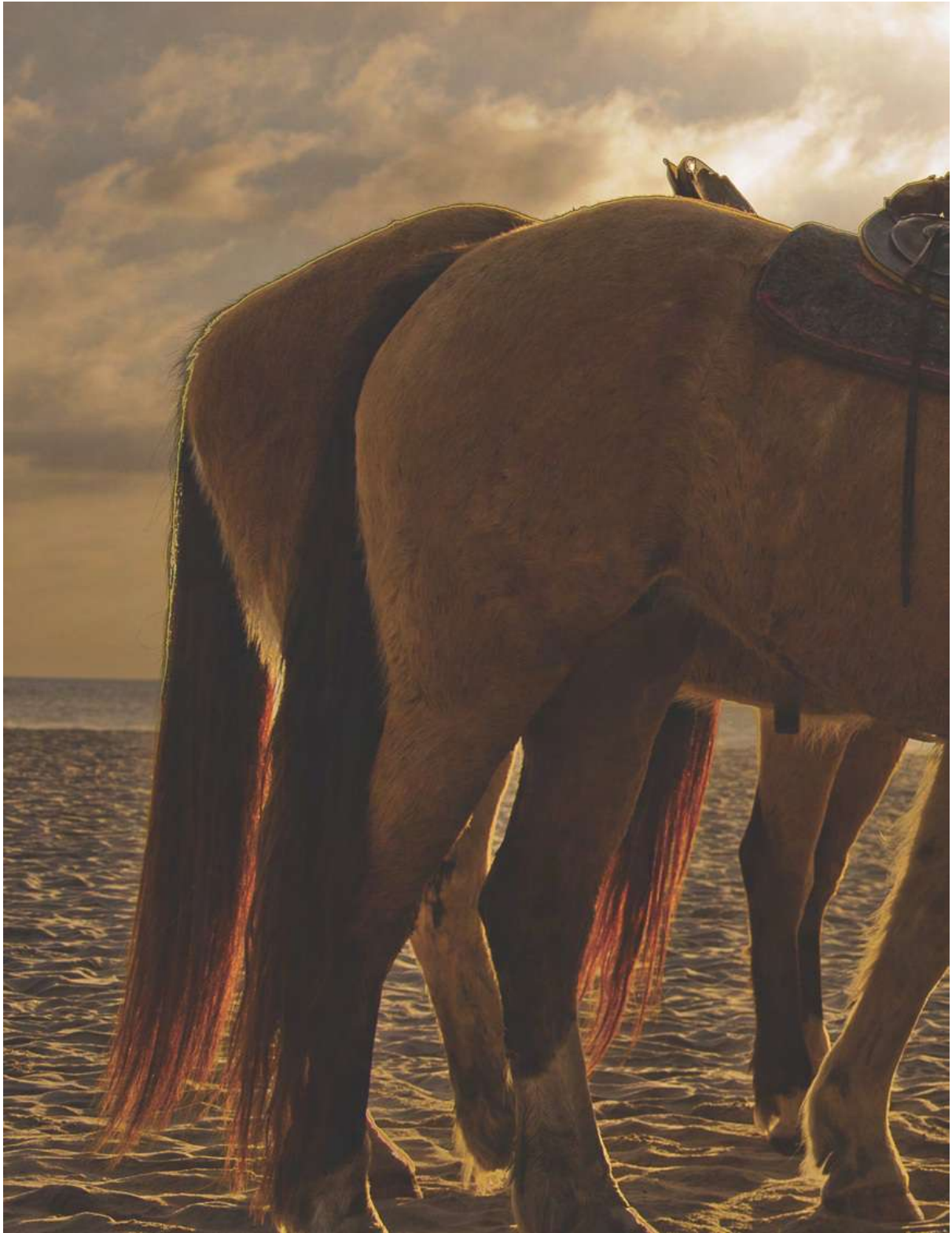
levels are for key decision areas delegated to them. After all, the Delegation often comes down to either “I do it” or “you do it.” But horse does not make its own fence. But the game can be very useful to

that’s too simple. Use delegation poker to make clear who’s respon-

reveal misconceptions and hidden assumptions. The purpose of the game is not to draw the lines but to get a common understanding of engagement through controlled self-organization and clarified where the lines already are.

decision making.





About learning to
self-organize

“I coached a team that was formed I helped the team to list their key deci

with the 'instruction' to be self-organization areas, and we used the delegation
nized. But the team was new to this poker game to facilitate discussions
and had only experience with a more and agree upon delegation levels. The
command-and-control mindset. They result was their first delegation board.
were left to their own devices with no This helped the team to make much
advice on how to 'self-organize.' The better progress, and the manager was
result was team conflict, low effective
happier as well, because he could fi
ness, and decision paralysis, and the nally take a few steps back.”
manager got more and more irritated
about being asked to help them out Inga-Lill Holmqvist, *Sweden*
all the time. Traditional micromanage
ment was the inevitable result.

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<https://www.flickr.com/photos/8047705@N02/5402518309>



About combining with

competence levels

“At VI Company, we use delegation in For example, a junior developer is at For senior developers we’ve set this at combination with competence level level 3 in the area of technical docu

level 7, meaning they have earned our

opment. We define different roles and mentation, which means his manager complete trust to do whatever they competence levels and communicate makes a commitment to ask for his think is necessary in this key decision clearly what authority level people input. A mid-level developer is at level area.”

have, which depends on their agreed- 4, which means he and his manager are upon job levels.

jointly responsible for documentation. Ivo van Halen, *The Netherlands*



How to Get Started

Now it is time to define the territory of the horse and to handle it with trust and care.

1. Determine where in the organization people seem to have some issues with delegation and authorization.
2. Decide together what the key decision areas are for these workers. Try not to define the areas as too low-level (“picking up the phone”) but also as not too high-level (“doing work”).

3. Decide what the assumed delegation levels are per key

[/4019840232](#)

decision area. You may want to play delegation poker to find out.¹⁴

[esherbondy](#)

4. Create a delegation board (or empowerment board) to visualize delegation to everyone involved.

[photos/](#)

- 5.

[.com/](#)

Ask the manager to check if you’ve made the correct assumptions for all key decision areas and delegation levels.

[.flickr](#)

This may lead to an extra discussion or two to narrow down all

[/www](#)

the opinions.

[https:/](#)

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, Creativ

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Tips and Variations

POKER

TION

Make it clear which boundary the

delegation board is supposed to

DELEGA

clarify. Between a manager and an

Visually, it can be more interesting

entire team? Between a team lead

My team members were surprised

to write delegation levels vertically

AND

and specific team members?

at the level of trust I communicated

(and key decision areas horizon

ARDS

with the delegation board. They
tally) and then have checkmarks or

BO

had never been aware of that.

sticky notes move up or down.

TION

We added two levels (0 – Don't Tell

DELEGA

and 8 – Ignore), which made sense

to our team. Feel free to experi

It's good to hang the delegation

We had two sessions: one delega

ment with your own adaptations.

board on the wall, so you can refer

tion board by management and

to it whenever needed.

another created by the teams.

HAPPINESS

Afterward, we all got together,

compared the results, and had great

FOR

I used the delegation levels to

discussions and good progress.

GING

define or clarify job descriptions.

Regularly review the key decision areas and delegation levels and

MANA

move the levels further when

you see growth and maturity in

Play delegation poker at the start of a

You can also discuss a delegation decision making.

workshop to get people talking about

board and play delegation poker

lunch hours, topics to discuss, use of

with other stakeholders, such

phones and computers, and so on.

as product owners and project

managers.

We prefer to call it a delegation

matrix. Somehow, our people find

that easier to understand.

Find more ideas at m30.me/

[delegation-boards](https://m30.me/delegation-boards) and m30.me/

I use delegation levels to decide

[delegation-poker.](#)

what is the difference between a

junior and a senior employee.

BALIA
S
T
E

INCE
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4

value stories and

culture books

Define the Culture by Sharing Stories

78

There are all kinds of

values that both groups

and individuals can

recognize. Some of those

values come naturally to

you. Without them, you

Lasting change is a

wouldn't be yourself. Other

series of compromises.

values are the ones you

And compromise is all

aspire to have. It will take

right, as long as your

effort for you to embrace

values don't change.

them. For best effect, you

Jane Goodall,

British primatologist

should spin your values

(1934–)

into a personal story.

79

Self-interest works only as long as there's a contain

BOOKS

ment vessel—a set of ethical principles that ensures

TURE

CUL

enlightened self-interest doesn't melt down into un

AND

bridled selfishness.

ORIES ST

Gary Hamel, *What Matters Now*¹

ALUEV

HAPPINESS

FOR

GING

When I signed the contract for my first book, *Management 3.0*, my

publisher and I agreed on the deadline of August 1, 2010, for the de

MANA

livery of my completed manuscript. The editor added that this dead

I can tell you similar stories of how I pay all my suppliers within

line was just a formality. “We know you authors,” he said. “You almost two weeks of receiving their invoices (*fairness*), how I never require never meet your deadlines, and that’s okay. Just deliver whenever contracts for my speaking engagements (*integrity*), how I use a daily you’re ready.” But I replied, “No, I’m not one of those authors. I intend reminder for myself to say “thank you” to someone (*gratitude*), and to deliver my book on schedule.” And I did. I e-mailed the completed how I spent weeks trying to figure out which charity organization manuscript to the editor on August 1, 2010, four minutes before midto contribute to (*generosity*). I do these things because I find them night. I even had time to pour myself a drink.

important. They are important to *me*. Not only do they help me be

happier with myself, but having an inspiring purpose and clear values

Apparently, meeting the deadline was important to me. It was a mataalso helps me to keep focus in my work and make decisions more ter of *discipline* and a matter of *honor*. I wanted to prove something to easily. Purpose and values allow people to say either “yes” or “no” to myself. As a beginning author, I thought it was in my own self-interest requests and opportunities with more conviction. Research confirms to be able to keep a promise.

that clarity of values and direction makes a significant difference

in behavior at work and is a force behind motivation, commitment,

Honor and *self-discipline* are two examples of **values**, or virtues, of huand [productivity.2](#) Many employees in the world are in need of these man beings. They are important. Without respect for existing value, clearer boundaries, because most of them suffer from cognitive overthe creation of new value easily melts down into selfishness.

load: too many [choices and too little direction.3](#)

Creating Value

When you see an organization as a network of people creating value (as I do), then you inevitably come to the conclusion that all clients

Rather than viewing organizational processes as ways of

and stakeholders participate in this network in order to derive value from it. Customers, shareholders, employees, suppliers, banks, com

extracting more economic value, great companies create

munities, business partners, governments—in short, everyone who is economically involved with the organization—try to get some value

frameworks that use societal value and human values as

out of it. Otherwise they would not contribute to that collaborative project that we call a business.

decision-making criteria.

You can only create new value when you protect what is already

Moss Kanter,

valuable. When you delight customers while screwing suppliers,

“How Great Companies [Think Differently](#)”⁴

you’re not *creating* value; you’re just *moving* it from one stakeholder

to the other. When you increase short-term productivity while cut

“But,” I hear you think, “what is valuable to clients and stakeholders?

ting corners in quality, you’re not creating value; you’re just *stealing* Which values should we respect and uphold? I want to be a true value it from the future. And when you think you create shareholder value creator, but how do I do it?” Well, it seems you’re showing signs of by depleting natural resources, you’re not creating value; you’re just *curiosity, enthusiasm, and determination*. Great! That means you’re *transforming* part of an ecosystem into an economy.

already on your way to knowing the answer.

You can only create new value

when you protect what is already valuable.

True value creation happens when you respect the things that are

already valuable to some clients. This means taking into account the

values of people at all levels of the organization and in all corners of

the network.



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<https://www.flickr.com/photos/dhillung/3588521516>



Value List

As the result of a bit of searching and some spare time on a flight from Shanghai to Dubai, I created the following list of 250 values, from a Dependability

Expressiveness

Hospitality

collection of multiple sources. I ignored words such as *religiousness* and Determination Extroversion

Humility

sexiness, or any other words that did not seem very businesslike (un

Devotion

Exuberance

Humor

less your business is a church or a brothel, or both). You can use this Dignity

Fairness

Imagination

list to find and select your favorite values. (A smaller version of this list

Diligence

Faith

Impartiality

was offered in my first [book.5](#)) You can randomize the words and pick

Directness Faithfulness

Independence

your favorites from a pile, or you can apply dot voting where several

Discipline

Family

Ingenuity

people make a mark on their preferred values in order to narrow the

Discovery

Fearlessness

Initiative

list down to three or five words. Whatever approach you use, discuss

Discretion

Ferocity

Innovation

ing core and wish values is a great management exercise.

Diversity

Fidelity

Inquisitiveness

Drive

Fierceness

Insightfulness

Duty

Fitness

Inspiration

Acceptance

Balance

Commitment

Dynamism

Flexibility

Integrity

Accessibility

Beauty

Compassion

Eagerness

Fluency

Intelligence

Accomplishment

Benevolence

Competence

Education

Focus

Introversion

Accountability

Boldness

Concentration

Effectiveness

Frankness

Intuitiveness

Accuracy

Bravery

Confidence

Efficiency

Freedom

Inventiveness

Achievement

Brilliance

Conformity

Elegance

Friendliness

Joy

Activeness

Calmness

Consistency

Empathy

Friendship

Justice

Adaptability

Camaraderie

Contentment

Encouragement

Fun

Kindness

Adventure

Candor

Cooperation

Endurance

Generosity

Knowledge

Aesthetics

Capability

Courage

Energy

Gratitude

Leadership

Agility

Carefulness

Courtesy

Enjoyment

Growth

Learning

Alertness

Caution

Craftiness

Entertainment

Happiness

Liberty

Ambition

Change

Creativity

Enthusiasm

Harmony

Logic

Appreciation

Charity

Credibility

Equality

Health

Love

Approachability

Cheerfulness

Cunning

Excellence

Helpfulness

Loyalty

Assertiveness

Clarity

Curiosity

Excitement

Heroism

Mastery

Attentiveness

Cleanliness

Daring

Experience

Honesty

Maturity

Availability

Cleverness

Decisiveness

Expertise

Honor

Meticulousness

Awareness

Collaboration

Dedication

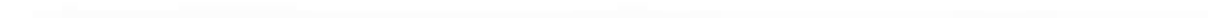
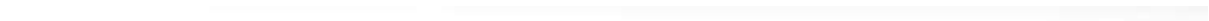
Exploration

Hopefulness

Mindfulness







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Cultural backgrounds have an impact
on the choices people make
when picking their values.

Human values and virtues are interesting topics,

Modesty

Preparedness

Self-reliance

Thrift

not in the least because they are so heavily influ-

Motivation

Privacy

Sensitivity

Timeliness

enced by culture. This is wonderfully illustrated

Neatness

Proactivity

Serenity

Tolerance

by social psychologist Geert Hofstede and his cul-

Open-mindedness Professionalism

Service

Tranquility

tural dimensions theory.⁶ For example, Hofstede's

Openness

Prudence

Sharing

Transcendence

power distance index shows that in Latin, Asian, and

Optimism

Punctuality

Silliness

Trust

African countries, there is a tendency to defer to

Order

Purposefulness

Simplicity

Trustworthiness

authority figures, while in Anglo and Germanic

Orderliness

Rationality

Sincerity

Truth

countries this power distance is much lower. His

Organization

Realism

Skill

Understanding

individualism index shows a clear gap between the

Originality

Reason

Solidarity

Uniqueness

improve-yourself attitude in western countries

Outlandishness

Reflection

Speed

Unity

and the stay-with-the-group mentality in eastern

Outrageousness

Regularity

Spirituality

Valor

countries. Equally interesting are the *uncertainty*

Passion

Reliability

Spontaneity

Variety

avoidance scores, which are high in southern and

Patience

Resilience

Stability

Vigor

eastern Europe, and low for the northwest of the

Peace

Resolution

Status

Vision

continent.

Perceptiveness

Resolve

Stealth

Vitality

Perfection

Resourcefulness

Stewardship

Warmth

People also reported to me that significant cul-

Perseverance

Respect

Strength

Willfulness

tural differences can exist between generations

Persistence

Responsibility

Success

Wisdom

within the same region. For example, in Eastern

Persuasiveness

Responsiveness

Support

Wittiness

European countries, the older generations, who

Philanthropy

Restraint

Sympathy

Wonder

have experience with socialism and communism,

Playfulness

Rigor

Synergy

Zeal

are more inclined to expect that the state and

Pleasure

Sacrifice

Teamwork

government be there to help everyone, while the

Power

Security

Thankfulness

younger generations learn that, basically, their

Pragmatism

Self-control

Thoroughness

future is their own responsibility. Obviously,

Precision

Self-discipline

Thoughtfulness

such cultural backgrounds have an impact on the
choices people make when picking their values.



Team Values

So far, I have discussed values from both personal and organizational perspectives. But, like the formation of identity and purpose, the selection of values could also be considered and performed at every organizational level. What about the values of a team? What about the values of the department or the business unit? Clarifying your own values is important, but equally important is understanding the [values of others.](#)⁷

The behavior of a team depends on the personalities of the team members, their relationships, and their environment. An important change in their relationships or the environment can lead to a different set of desired behaviors for the team and can, therefore, be a reason to reconsider the team's values.

Using the value list, a team may discuss their most important values.

A useful exercise, offered in my first book, is to have management do [the same thing and then compare and discuss the results.](#)⁸ The same approach was applied at Atlassian, a tool vendor company, which resulted in such fascinating company values as “open company, no bullsh.t” and “don't f..[k the customer.](#)”⁹

Once the values are selected, people can print them on walls, task boards, T-shirts, screensavers, coffee mugs, and anything else you can think of.



But it's not any more confusing than knowing that different organizational levels have different bosses, conflicting policies, multiple identities, and numerous faces.

What about

values at other levels? Human beings are masters at reconciling such differences. And if some multilayered value lists are indeed too confusing, I see no reason why people cannot simply sit level. If that happens (and I certainly suggest that you together and simplify the results. In most organizations, give it a try), you could end up with a lot of value lists. the problem is too little guidance in regard to values, Isn't that confusing?

never too much. Remember that the goal is for people to create and respect value and achieve happiness. The goal

Maybe.

is not to fight over 250 simple words.

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Employee Handbooks

In a land far, far away, and in a time long, long past, I was a senior stu

Valve, a highly successful gaming company, has a Handbook for New

dent at the Technical University in Delft, the Netherlands, employed by Employees that was created by a small team of developers and designthe Faculty of Computer Science as a student assistant. I was one of the ers. The handbook, which contains great illustrations—yes, better than people paid to evaluate the programming assignments of first-year stumine—and nice jokes and stories, was published first as a print edition dents, which meant I could tell them that the word *end* had to be properly and later made available as a downloadable PDF. The document not only aligned under *begin* and that the purpose of indentation was to make inspired many companies in the world as a shining example of a flat orgacode readable, not to balance the white space equally in both margins.

nizational structure, but it also showed that employee handbooks don't

have to be boring and can be created by [employees.12](#)

One of the things I did, from the bottom of my big compassionate heart,

was to create a Freshmen's Guide. It was a simple little book, explaining Another example is offered by online retailer Zappos, a company with where to find exams and grades, where to find the student's society, an official Culture Book, which is also written by its employees and upwhere to go with study problems, and where to find the better pardated every year. The book tells stories of how people feel about the ties. I added plenty of handmade illustrations and silly jokes because company, and the employees take care that the company's culture is I wanted the students to find it an interesting read. I am happy to say developed and reinforced all the time. Like the Valve Handbook, Zapthat my booklet was not only supported by the student's society and pos's Culture Book is freely available for download.^{13,14}

paid for by the faculty, but the idea was also copied by some of the most famous companies in the world many years later. (Just kidding!)

Obviously, such handbooks and culture books only work when employees actually use them and know what they say. All too often, employee IDEO is arguably the most famous design company in the United States,

handbooks are created by human resources departments, not by demand for good reason. Its *Little Book of IDEO* spells out the important values employees themselves, and are devoid of any emotion. Values are offered in the form of the organization, such as “be optimistic,” “embrace ambiguity,” as bullet points and accompanied by rules, policies, and legal disclaimers.

and “learn from failure.” One statement I like in particular is “make others

It’s no wonder that, with such handbooks buried deep down in file systems, successful,” which means that employees should always strive to help each other out. Unlike my own Freshmen’s Guide, IDEO’s little book is the company. The real culture communicated in cases like these is “culture can be downloaded from the Web.”^{10,11}

ture is defined by managers” and “we’re not supposed to have fun.”

In one organization, we asked three managers what the mission was and what was the most important organizational goal. . . . We were told that the values were “in the employee handbook,”

but those values were disconnected from how people acted or how people were incentivized.

Robin and Burchell, *No Excuses*¹⁵

87

BOOKS

CULTURE

Perhaps the most famous example of a great culture book that actually worked is the Netflix Culture document, which says that it all Chapter

6).16,17 Some say, as an example of how a company can create starts with *freedom* and *responsibility* at this company. At Netflix, they and reinforce a culture with values, it is the most important docu

AND

actually practice what they preach because the company offers total ment ever to have come out of Silicon Valley.¹⁸

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ALUEV

“Creating team values was harder Having read about intrinsic motiva

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than it sounds, as we needed to get the tors, I was keen to make this a thing

HAPPINESS

value wall

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team and company behind it and dem

accessible to all without any agenda

GING

onstrate that this offered value (spot other than giving people a ‘shout out.’ more subtle. People casually walked MANA

the irony). After creating a compelling We took a simple approach by putting past the Value Wall and took a genuine business case, complete with Gandhi bright Post-Its with stories on top of interest. After a month of doing this, it quote, we were able to decide on a set the values with the name of the person was clear to see by people’s engage of team values. Once this was in place, and a stated observation. However, ment and satisfaction with these sto we were able to create a Value Wall. A because it was a room full of blokes, ries that it was a hit. You could say this shiny movie picture showcasing each we didn’t ring a bell to announce any was a lo-fi approach to value stories.”

value along with a brief description new additions. In fact, we didn't do any
printed on A3 adorned our Value Wall. roll calls at all. What happened was
Paul Holden, *United Kingdom*



Living Your Values

Enron, which went bankrupt because of fraud by its top management, had the values *integrity, communication, respect, and excellence* displayed in its corporate lobby. Apparently, only showing words to

everyone is not enough. After you have determined what your values

are as a team or as an organization, it's time to put your money where

your mouth is. Turn your values into action! Create your own story!

Are you aiming for *honesty, excellence, and service*? Get the team in a

car, drive to a client where something went wrong with your product,

and sing a song about how sorry you are while handing over a big bouquet of flowers. Should your work be focused on *creativity, discipline, and orderliness*? Get your team to make a perfectly executed work of

art out of sticky notes, carefully measured out and modeled on the

computer. The key is not only to *promise* to keep these values in mind

but to actually *do something* to prove that these values matter and

guide people's behaviors and decisions.

At the end of the day, you just ask yourself, “How did

our vision and values influence decisions I made to

day?” If they did not, then they are pretty much BS.

Senge, *The Fifth Discipline*¹⁹

The culture should drive the business at your organization, not the

other way [around](#).²⁰ Proper values, visualized and communicated

with stories, help you define and reinforce that culture.



Videos and books

What we also did was to make a Christmas present from the teams for our CEO. We gathered some of the best stories in

“After formulating our vision for Future Processing, we de

the company and published them as a book. Not only did

cided to present it to our teams in a three-minute animated our efforts result in a nice gift; now we also have an amaz video. The video presented our goals in the form of a story. ing source of funny and inspiring stories about our company We even hired one of the most popular Polish TV presenters that explains our culture and spirit. We share these with to do the voice-over. The effect was that people watched and new employees, and we also plan to print them for display in shared the video much more willingly than they would with our new office building.”

the best written corporate document in the world.

Agnieszka Zimończyk, *Poland*

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How to Get Started

Does your team have its own values? Do you have a culture book? If not, maybe you can do this:

1. Collect stories of past behaviors that you feel exemplify and illustrate the culture of your team or organization.
2. Print the big list of team values, one copy per person, and let each team member pick core values and wish values, based on the stories you've collected. (You can download the Big Value [List from m30.me/value-stories](http://m30.me/value-stories).)
3. Ask management to do the same, and compare the results. Choose a final set that everyone can agree on, both employees and management.
4. Make the values easy to refer to, by keeping them visible around the office. But also find a way to retell the stories around them.
5. Consider turning your values and stories into a culture book that is (preferably) maintained by employees, not by the HR department.

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Tips and Variations

BOOKS

TURE

CUL

Try not to have too many values.

The ultimate test is: Can you

AND

remember them?

Organize a company-wide Values

ORIES

Day where everyone is invited to

Don't forget that bad things that

ST

reflect on the organization's values

happened are also worth talking

ALUE

and how people lived [up to them](#).²¹

about.

V

We used a channel in our organiza-

tion's communication tool (Slack)

to post and discuss value stories.

Make sure you communicate your

Write a constitution that lays

HAPPINESS

values in a fun, colorful, and inspir-

down the way the company

FOR

ing way.

operates, the value it generates

GING

Add values to your kudo cards or

for everyone, and what it serves

merit money practices (see Chap-

to protect.

MANA

ters 1 and 8) to connect people's

behaviors to team values.

Every now and then, test if people

know the values. Ask them. If they

don't know, the values are not

Always reward people and blame

working.

the system, not the other way

Use photos or videos to capture

around.

great moments and share these in a book or movie.

We make it a habit to start our weekly meetings by sharing one or

[Find more ideas at m30.me/value-](https://m30.me/value-stories)

two value stories. It gets everyone [stories and m30.me/culture-books](https://m30.me/culture-books).

If you don't know which values to aligned and in the right mood.

pick, start with stories of things

that made people happy. Then

you'll find the values.



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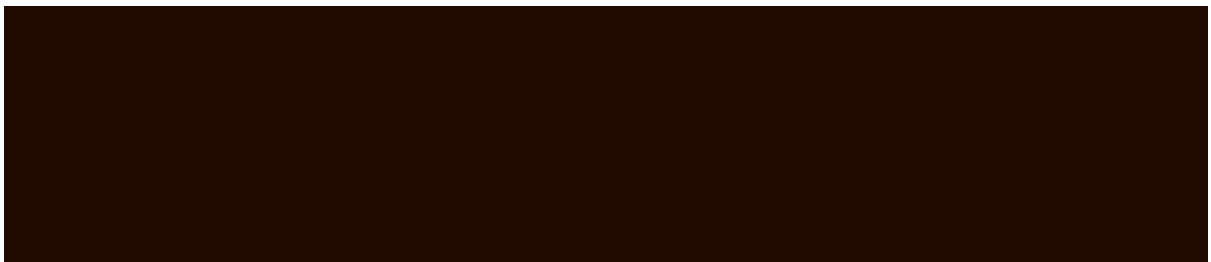
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5

exploration days and

internal crowdfunding

Make Time for Exploration and Self-Education

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Many organizations
struggle with self-
education of employees.

A very effective way
to make learning
enjoyable is for people
to organize exploration
days. Sometimes called
I am always doing that
hackathons or ShipIt days,
which I cannot do, in
these days are meant to
order that I may learn
invite employees to learn
how to do it.

and develop themselves by

Pablo Picasso,

Spanish painter

running experiments and

(1881–1973)

exploring new ideas.





some faraway country, rent a car, buy a map, and start exploring.

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OWDFUNDING

like to believe this is similar to what they did centuries ago: sailing off

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across the ocean and discovering new continents, new cultures, and
new diseases.

INTERNAL

Exploration is also the most effective approach to learning—a topic

AND S

that appears to be a challenge in many organizations. An emphasis on

People don't explore if they just follow

AYD

learning is crucial for all businesses, no matter how successful they
already are. After all, you won't have a *first mover advantage* for long if

TION

the leader or the crowd.

somebody else has the *fast learner advantage*.

ORA

EXPL

You won't have a first mover advantage

for long if somebody else has the

HAPPINESS

fast learner advantage.

Development is always self-development. For the enter-

FOR

prise to assume responsibility for the development of

GING

In modern organizations, more and more people are expected to be self-organizing. Sadly, I have noticed that self- *organizing* teams are

a person is idle boast. The responsibility rests with the

MANA

not always self- *developing* and self- *educating* teams. I worked with software teams in which developers were very competent at play

individual, her abilities, her efforts.

ing Halo or Quake. But important software development practices, such as test-driven development and continuous deployment, were

Peter F. Drucker, [Management 1](#)

regrettably not among their core competencies.

I agree with the experts; education of employees is not the prime re-

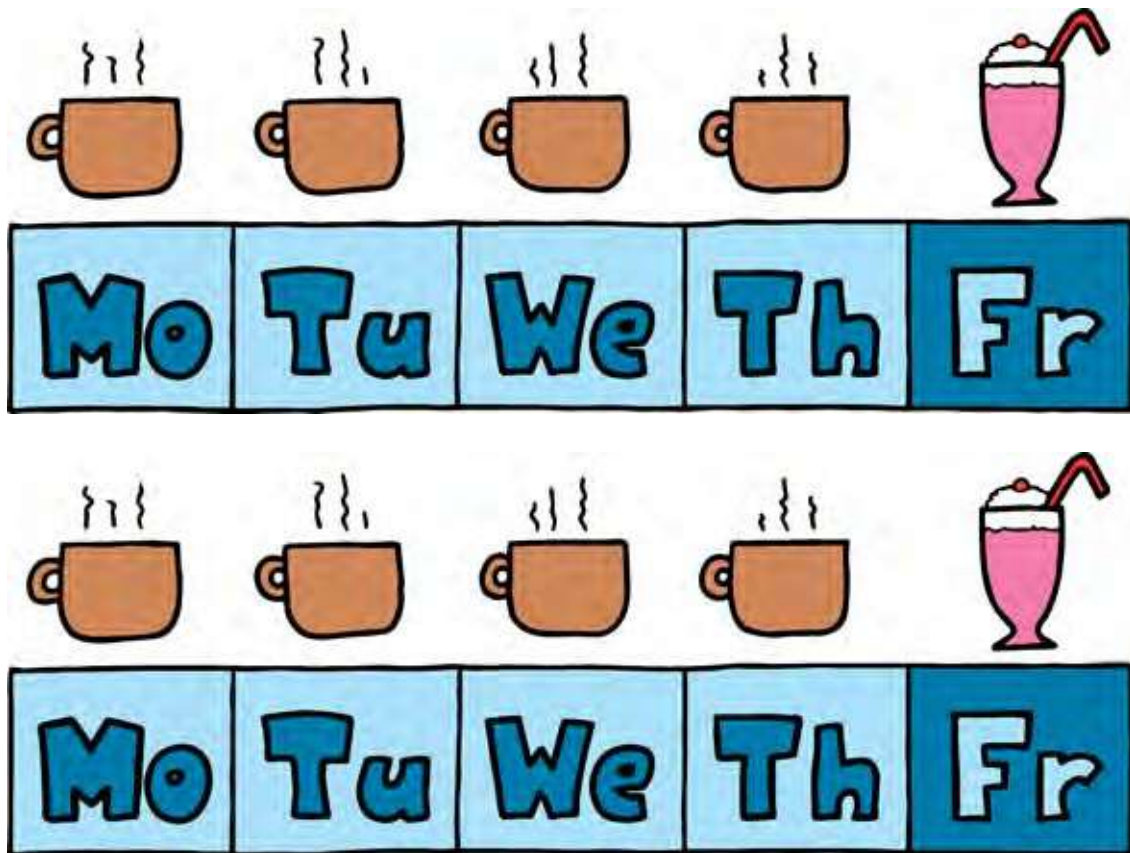
The problem of team members needing more education can be a sponsibility of the organization. On the other hand, waiting for people significant challenge because, in the words of science fiction writer to start developing themselves is not always a successful approach, Isaac Asimov, the only real form of education is *self-education*. Similar either. People don't explore if they just follow the leader or the crowd.

opinions have been offered by many management experts. We can-

So what can we do? How can we create an environment that fosters

not educate employees. They can only educate themselves.

learning and nudges employees to start their own exploration?



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Education Days

I once introduced the concept of **education days** in the company where I worked. Every employee was entitled to a number of days per year (we started with 12) that they were encouraged to use for

self-education. It didn't matter whether they spent it reading a book, attending a conference, experimenting with new technology, or building a prototype of some crazy idea. Anything was fine, as long as they *learned* something. It was almost the same as vacation days, but instead of spending those days exploring bars and beaches, we expected people to explore techniques and technologies. It touched upon intrinsic motivators such as *mastery*, *curiosity*, and *freedom*. I thought it was a good idea.

At Cisco Labs in Norway, they don't budget the time for people's Well, it was. But it didn't work.

self-development. Employees are allowed to spend any amount of time they want on their pet projects, and for some that means up

The idea was worth trying because apparently it *does* work in grading the foosball table in their lunch area. During my visit to Cisco some other organizations. Google has its famous 20 percent time, Systems, I was shown their foosball table, which had a card reader a policy that says employees are allowed to spend 20 percent of installed that was used to sign in players using their security badges.

their time working on any [idea that interests them.](#)²

It has

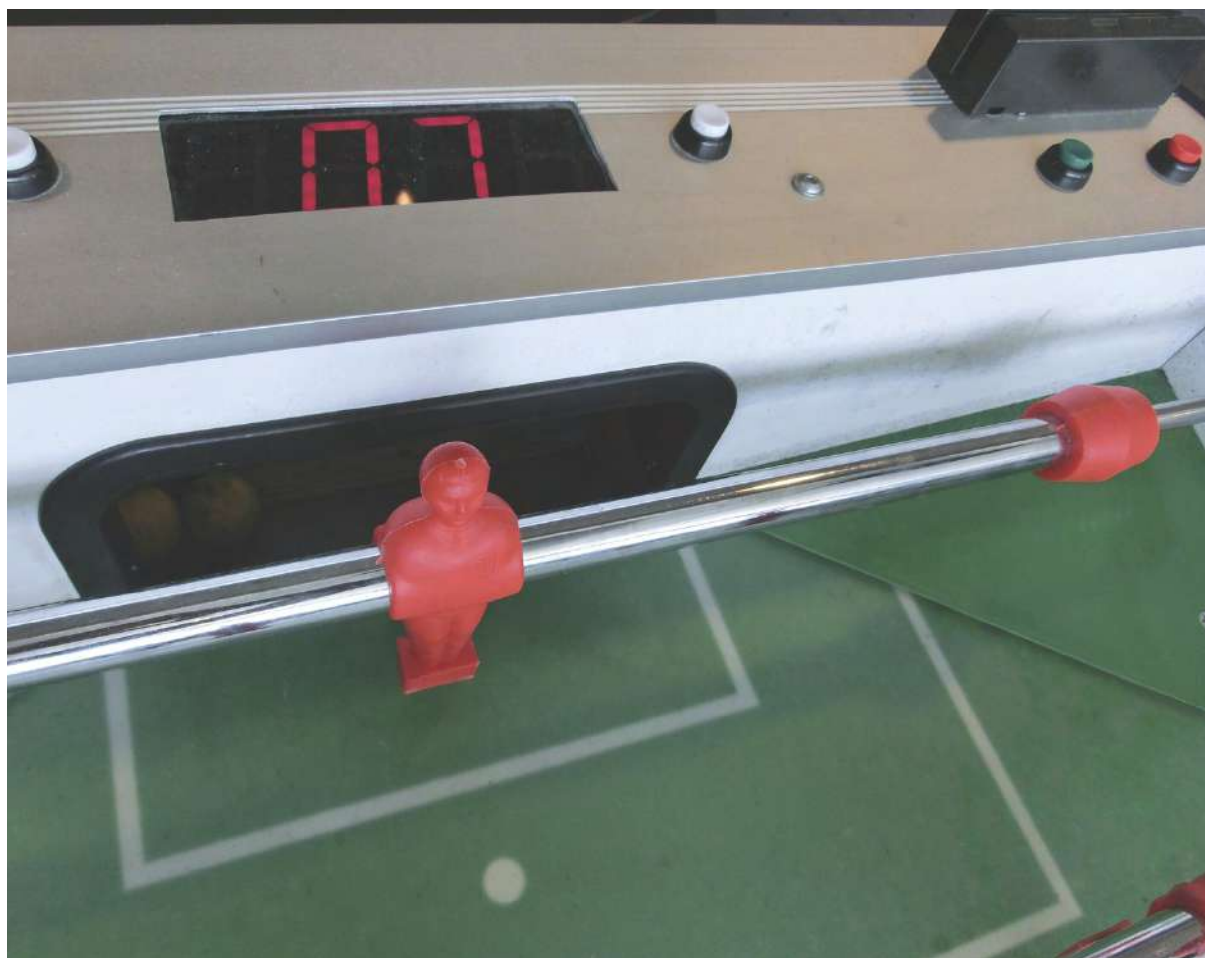
Goals were registered with a built-in laser and shown on an LED-

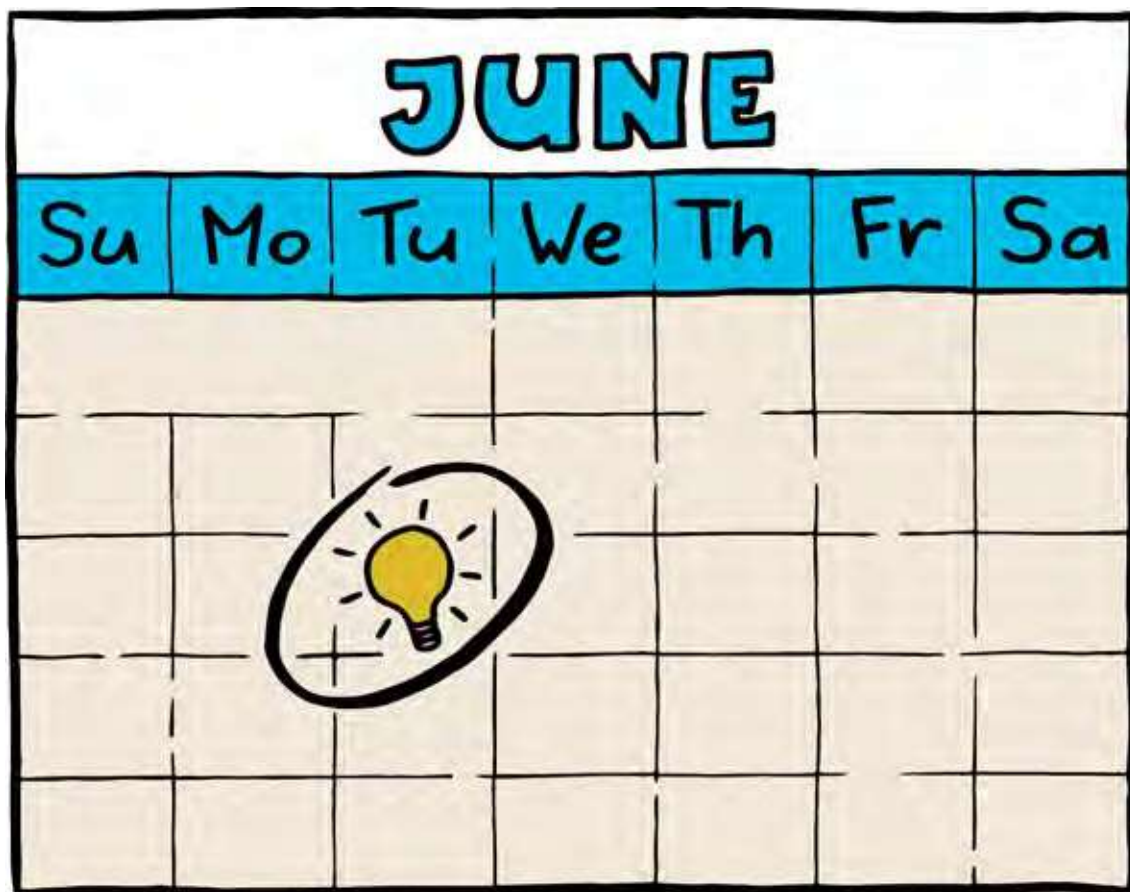
not only worked as a good motivator; the practice has also generdisplay on the table. Even the speed [of the ball was measured.](#)⁵ Cisco's ated many great ideas for the company. Products such as Gmail and employees had made all these modifications themselves because, for AdSense were conceived in 20 percent time. Interestingly, it was them, the foosball table is their technical research lab. Olve Maudal, reported recently that Google has downplayed the importance of who showed me around the company, told me that other

organizations 20 percent [time policy](#)³ in favor of a more top-down approach to innovation and more reliance on employees to develop themselves with fluffy cushions and colorful wallpaper. Olve stated it was more in their own [free time](#).⁴ Apparently, Google has realized that having effective to just allow people time to play and experiment. I agree. It a fixed number of hours for exploration and learning is neither the wouldn't surprise me if, by now, the foosball table in Norway supports best way to get people to develop themselves nor an adequate ap

Google Glass and has drones flying over it, capturing live video that is proach to building innovative products.

streamed to YouTube.





Unfortunately, my organizational reality several years ago proved

a bit more stubborn and less playful than the examples I gave from

Google and Cisco. Our employees argued that they had no time to

learn and always had more urgent things to do. They had project Experienced creative workers know that important things and urgent deadlines to consider, customer demos to prepare, and meetings to things rarely overlap. Doing what's good for you and developing useattend. Therefore, they told me they saw no opportunity to make use ful habits—such as flossing your teeth, eating vegetables, and going of their education days. I thought this was strange because the same to the gym—take motivation and discipline. People need to grow into people had no problems making use of their *vacation* days. A more it. (I've managed the first one, but I'm still working on the other two.) logical explanation seemed to be that they didn't consider their *edu*

Because organizations cannot really change people and educate

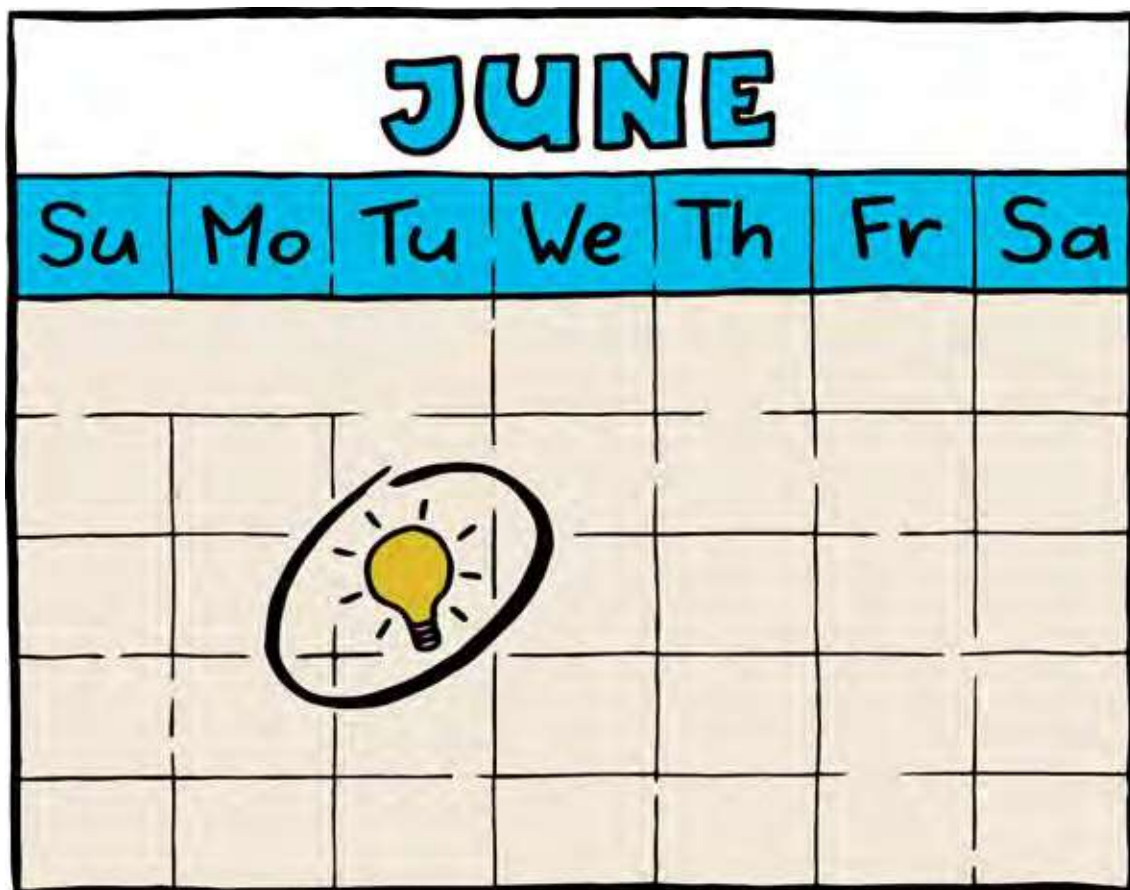
cation to be as desirable as their *vacation*. Education, in their eyes, was them, a good alternative is to tweak the environment so that people just another task

to be prioritized by management. Important, maybe,
change themselves, educate themselves, and start developing the
but not urgent.

[desired habits.6](#)

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ShipIt Days

How often

should we do this?

One company that understands this well is the Australian software company Atlassian.⁷ Once At Atlassian, they organize a ShipIt day every three months, they select a day on which everyone in the company works for the entire day on an idea of their own roughly every six weeks. Doing it more often has too choosing.

The requirement is that they deliver a result in just much of an impact on people's regular projects and 24 hours, hence the name **ShipIt day**.

(The original name was actually *FedEx day*, but the FedEx Corp. started to voice concerns about this.) Several other organizations, including Facebook and Spotify, organize waiting for the next one. My guess is that the optimum

similar internal events called **hackathons**⁸ or **hack days**. It pretty much boils down to the same thing. Business stands still for one day—for most organizations is somewhere between one and some people even stay at the office for a whole night—and everyone

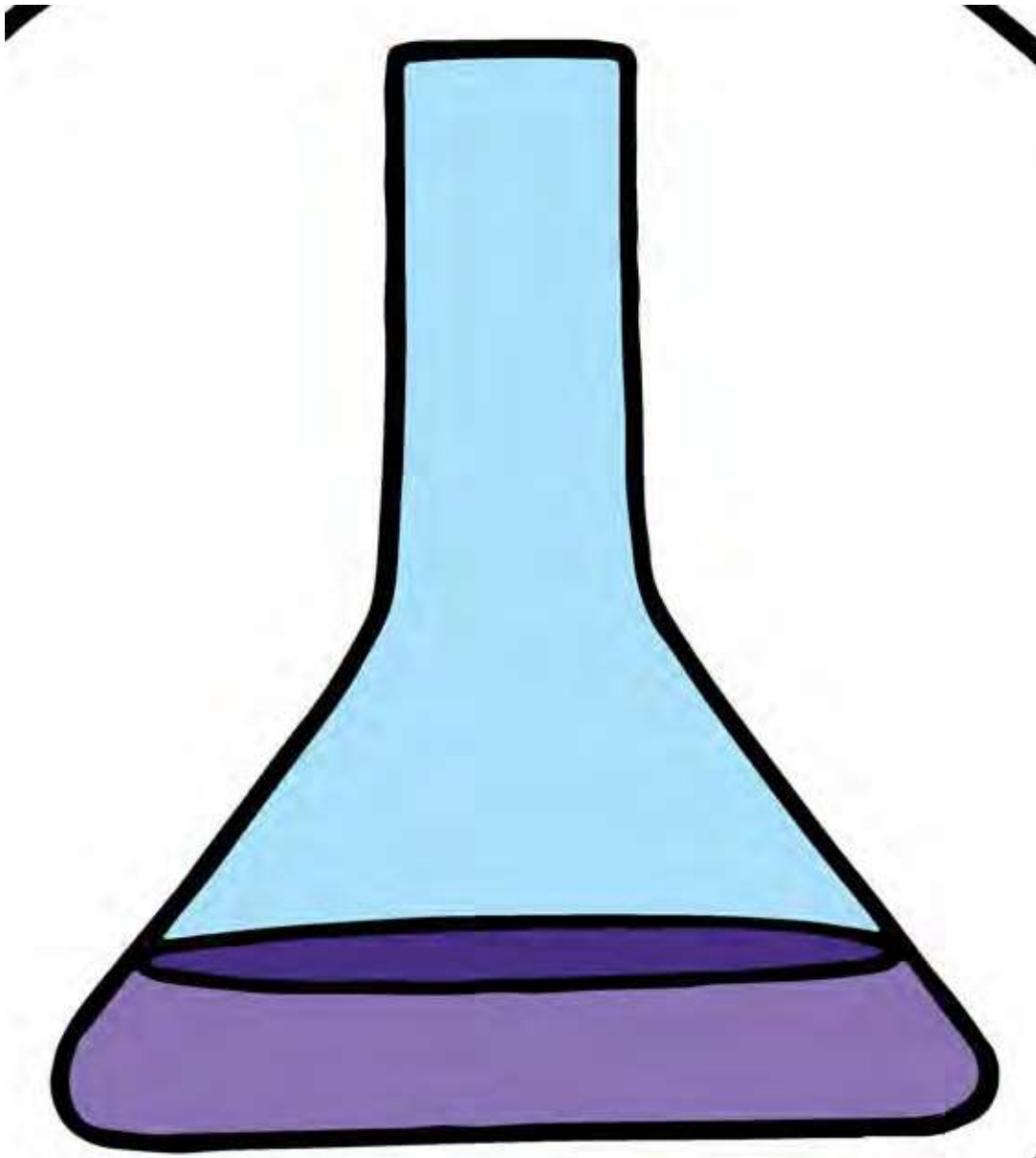
learns.

three months.

On a ShipIt day or hack day, you can work on whatever you want, as long as it isn't part of your regular work.⁹ You can choose to do it alone,

but it's probably more fun to team up with some of your colleagues. According to the people at Atlassian, ShipIt days work well because Such days can be wild and spontaneous, but they work better when they stimulate creativity, help solve actual problems, increase knowlthey are planned.¹⁰ At Atlassian, they usually have a "ShipIt organizer" edge and experience, and are a lot of fun.¹² The people at Facebook who prepares meetings to come up with ideas that can be turned into and Spotify seem to agree that hack days lead to more focused and projects.¹¹ At Facebook, they have a group called Hackathon Ideas open working environments. And they not only involve developers, where people post ideas during the week leading up to a hackathon, but designers, marketers, and other experts as well. Last but not so that teams can form organically around them.

least, these "synchronized education days" seem to help increase social connections between people, help them to self-organize, and increase commitment among employees.



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What ShipIt days and hackathons add to education days is that peer

OWDFUNDING

CR

pressure makes it harder for employees to claim that they are “too

busy,” an argument that is also heard among Google’s [employees.13](#)

Second, the commitment to present the results in 24 hours gets rid

INTERNAL

of the free format of the education days. Third, handing out an award

for the best idea, as a token of recognition among peers, seems to

ANDS

target people's sense of *honor* and *mastery*. Fourth and finally, when

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some people's ideas evolve into actual new products, this will clearly

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satisfy their desire for *status*. (And I think employees will rarely spend

such days playing Quake or Halo.)

ORA

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Should we be

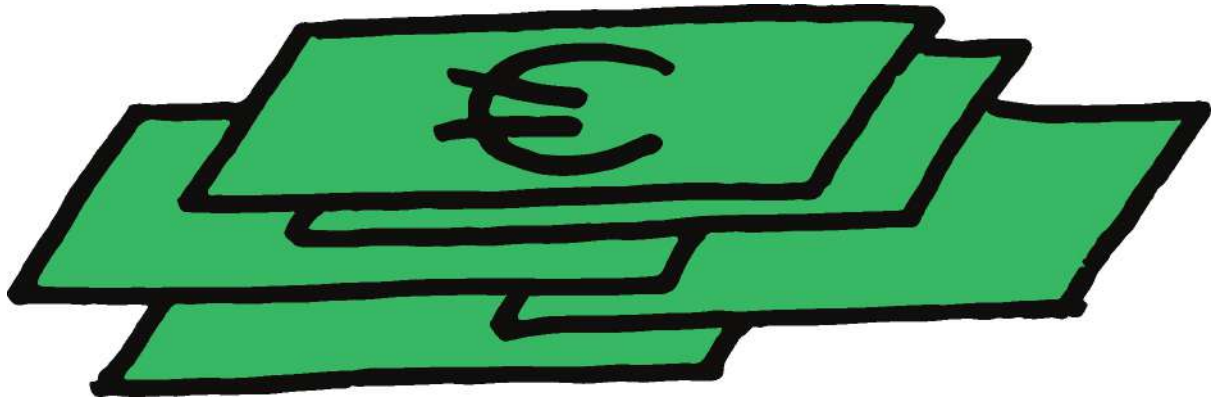
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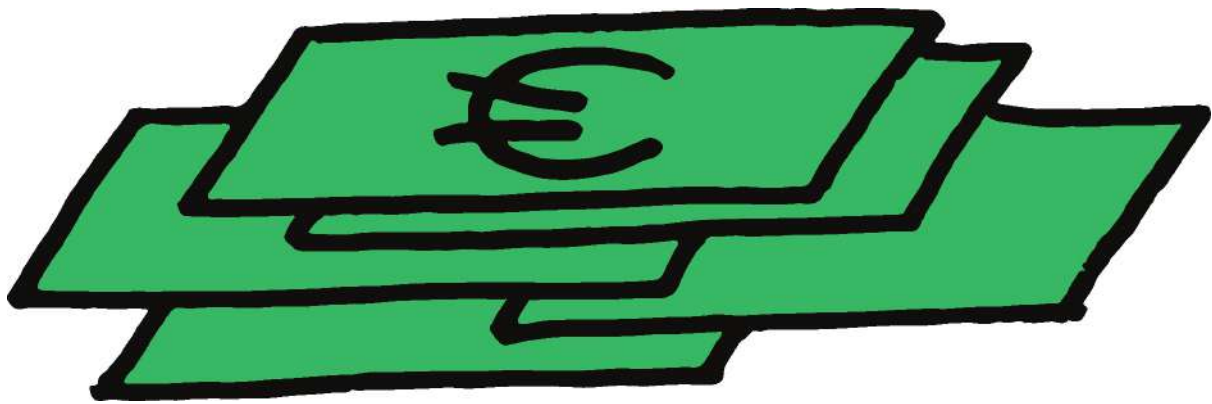
experimenting or

delivering?

Everyone knows that the outcomes of research cannot day. The goal is learning, not shipping. It is great when a be planned. (Otherwise, we could simply plan our way team delivers a potentially shippable product, but it's also to vaccines for malaria and HIV.

) Therefore, it's not great when the explorers fail spectacularly by discovering required to deliver a successful idea at the end of a hack the wrong continent, one they had never planned to find.





100

Internal Crowdfunding

When I was CIO, our management team felt responsible for gathering innovative ideas from employees. We appointed an innovation com

The job of management is not

mittee, with representatives from several departments, which had the task of choosing which ideas to invest in as a company.

to select the best ideas;

That didn't work, either.

it is to create a great system

People submitted more ideas than we could handle, and many felt that allows for the best ideas to emerge.

personally rejected when their idea was not selected by our innovation committee. The effect was the opposite of what we had intended: Instead of getting better ideas, the flow of new ideas dried up!

Some companies have discovered that it is better to leave the selectfree-format Google Labs experiments with its more focused and tion of innovative ideas

to employees. They take the hackathon a disruptive Google X [program.15 But a top-down pursuit of long-term](#)

step further and turn it into an **innovation stock market** by giving all strategic opportunities and bottom-up development of short-term employees a personal (virtual) budget that they can use for invest-ideas for improvement don't need to be in conflict with each other.

ing in ideas.

Any employee is allowed to float a new idea Probably, you need both. You cannot bet the future of the company on the stock market, but will have to convince peers to invest in the on whatever employees come up with as playful [experiments.16 But](#)

idea. With this approach, there is no innovation committee needed you do not have a future *at all* as a company without an incentive for because employees decide together, as a crowd, which of the ideas employees to develop themselves, motivate themselves, and generhave the best chance of succeeding and generating a return on their ate innovative [e ideas.17](#)

investment. Basically, what you achieve with such a system is an internal version of **crowdfunding. 14 This can work beautifully because**

the job of management is not to select the best ideas; it is to create a great system that allows for the best ideas to emerge.

A worker-driven idea stock market, however, is probably not enough

to survive in an ever-changing global market. One cannot leave strategic product development to pure chance and self-organization among employees. This is one reason why Google replaced its





As with any other adventure, there are different paths to the same goal. Some experts say you get the best out of employees when you treat them as entrepreneurs.¹⁸ By making a bit of time available for them to work, you might want to consider turning them into ShipIt days, hack work on their dream projects and allowing them to gain support from days, or a more exclusive and secretive program like Google X. And their peers to actually get those projects funded, you help people feel it may or may not be interesting to add an idea market, powered by more connected to their coworkers, and you help the organization internal crowdfunding, as a complementary approach to any disbecome more innovative. No committee in the world can achieve ruptive innovations that top management is working on. These are that.

all useful contributions to people's self-education. They address intrinsic motivators such as *autonomy*, *mastery*, and *purpose*, but also *social connectedness* and *status*. People work on something they like to do for a cause they think is important. But people also see what You get the best out of employees their colleagues have worked on and why this matters to *them*. And there is nothing as rewarding as delivering something interesting in when you treat them

just 24 hours, except maybe seeing it being turned into a real product thanks to an internal crowdfunding system.

as entrepreneurs.



[REDACTED]



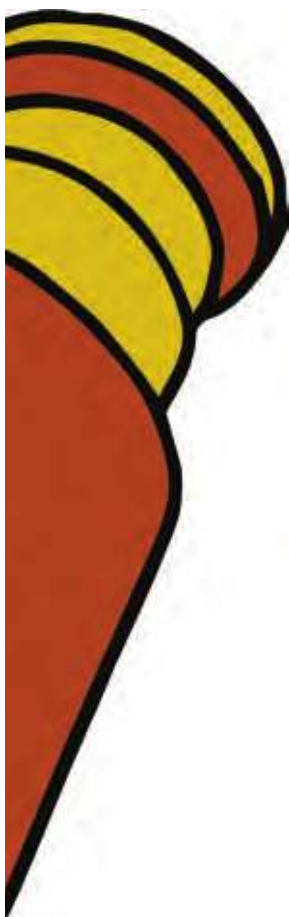
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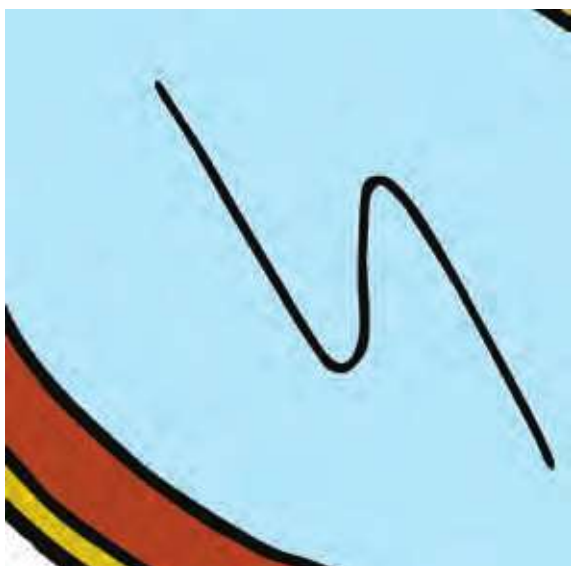
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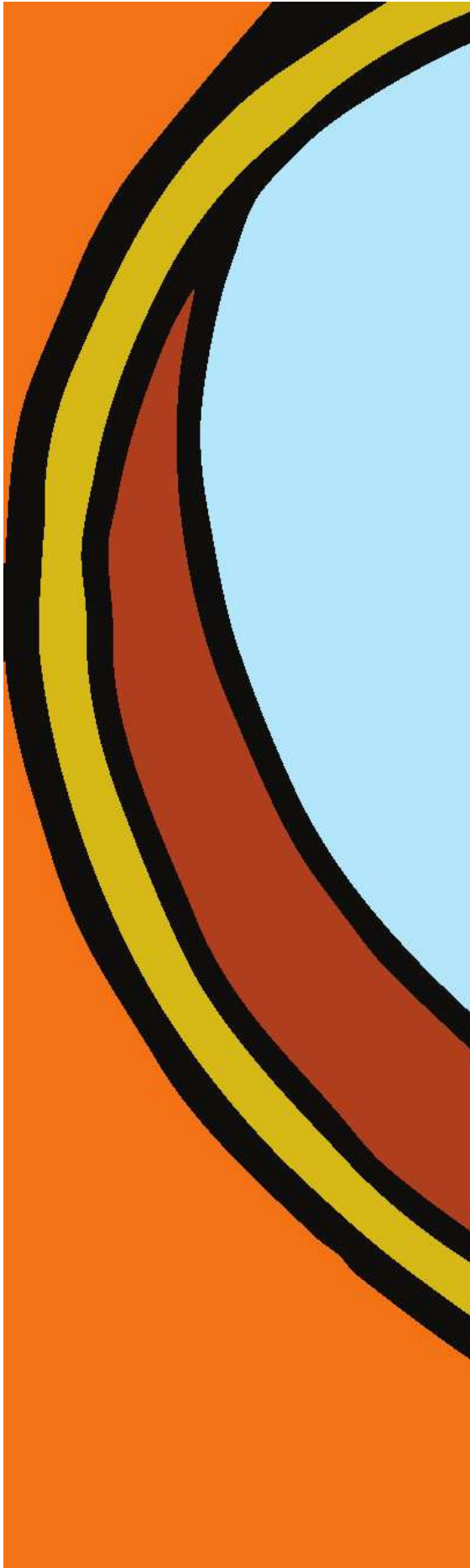
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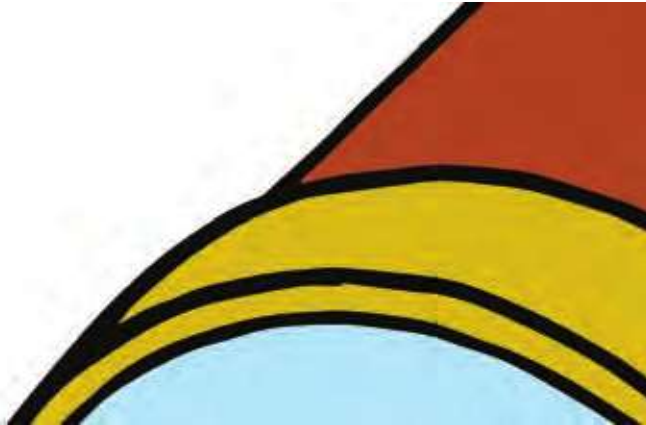












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Self-Education

Learning is different from training. Training is something organizations can do to teach employees how to handle a specific tasks. Learning is what employees must do *themselves* the complexity of their environment. And learning is optimal when people run experiments and explore unknown territory, which is why I prefer to use the term *exploration days*.

The goal is to get employees to learn as much as possible by generating and evaluating new ideas. Experts agree that the purpose of hackathons and other forms of exploration days is to experiment with ideas, not to ship things.²⁰ And organizations must learn how to run such events regularly, because those that learn fastest are the ones best able to survive.

The purpose of training is to reduce variety, to get a group of people tackling tasks in

the same way; so training reduces variety.

The purpose of learning is the exact opposite. Learning increases the individual's capacity to respond to different situations; it increases variety.

Patrick Hoverstadt, *The Fractal Organization*21



Is this only for

software developers?

Absolutely not. Anyone can explore ideas and generate in

Exploration also means discovering new terrains or ideas in

interesting results.²² This is yet another reason why I prefer other people's areas of work. At Pixar, the famous animation company, they teach everyone, including the accountants, because people in nondevelopment departments can find how to draw because learning to draw means learning to be difficult to figure out how to "hack" or "ship" things in come more observant, which is useful for everyone.²⁴ At Semtex their line of work. But innovation is not only about improving, in Brazil, they teach all employees the basics of accounting in products; it is also about inventing entirely new ways because understanding finance is also useful for everyone.²⁵

to do marketing, HR, legal, operations, or management.²³ Note that the point

here is not that you should learn to draw All employees, no matter what their line of work is, can or balance accounts (coincidentally, I taught myself both), but rethink the way they do their jobs and see themselves as I do suggest that all employees in a company learn to explore explorers!

and expand their horizons.

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Our first ShipIt day

“We experimented with a ShipIt day in my company with The 24-hour format was a bit difficult for some people eight colleagues. Our experience was that the require

(understandably, some have to get their kids from school,

ment to do this in one day felt like a great incentive. etc.) and I felt a lot of preparation by the facilitator (in People were enthusiastic and excited about participating, cluding materials and ideas) was necessary to make things maybe because it was a new experience. There was great work well. But we enjoyed trying this for one day, and we energy in the group. There’s something special about con

will be sure to repeat this on a regular basis!”

centrating on one topic during one day, and there was a

great feeling of satisfaction of having achieved something Anthony Claverie,
France

in only one day.



Rotation days

“I’d like to share a variation of exploration days called Once per month a member of one team works one full day

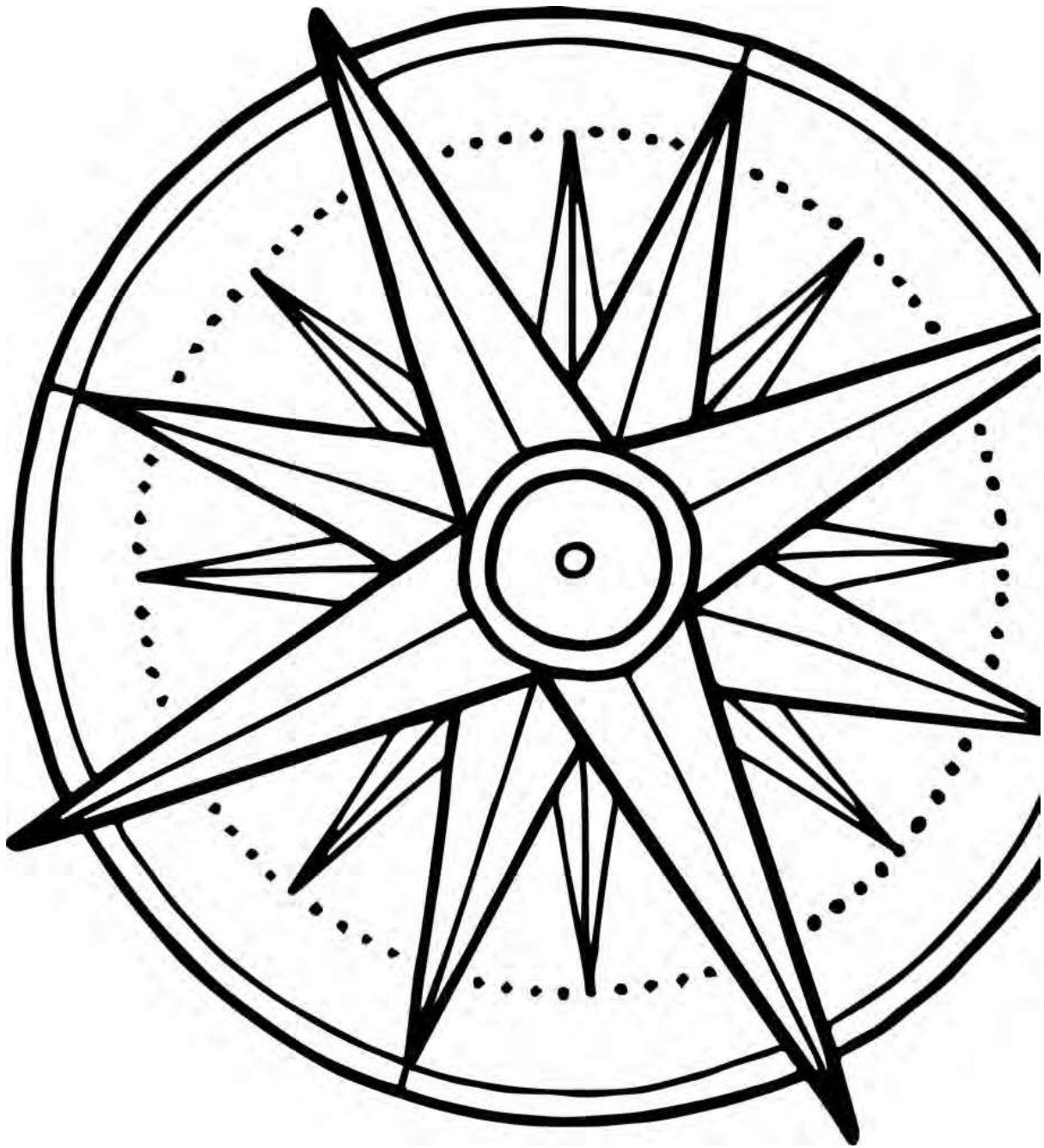
‘rotation days.’ It’s nothing fancy, but it does wonders. It in another team. The host team has to prepare an assign was introduced recently in a section called ‘Methodology, ment, and at the end of the rotation day, both the guest Interoperability and Architecture’ at the European Com

and a member of the host team write a brief report about

mission. The section has five teams, with three to five what happened, what they’ve learned, etc.”

members each, and all teams work in different areas.

Ivo Velitchkov, *Belgium*



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How to Get
Started

Now it is time for you to start learning by doing.

1. Read more about exploration days

(ShipIt days, hackathons, 20 percent

time) in the referenced articles.

2. Organize an exploration day with just your own team, during the week or over a weekend.

3. Use the results of this experiment to convince other teams to organize another day together.

4. Consider setting up a stock market for ideas, where people can invest in each other's experiments and somehow reap the benefits of having supported a successful innovative project.

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Tips and Variations

Don't make exploration days man

OWDFUNDING

CR

datory! Such days should be fun.

It's no fun working with someone

Weeks before the event, communi

Don't invite burnouts during an

who'd rather be somewhere else.

**cate clearly to everyone in the orga
exploration day! Convince people**

INTERNAL

**nization that part of the workforce
to take breaks, drink enough water,
will not be available for 24 hours.**

eat healthy snacks, and do some

ANDS

stretching exercises.

AY D

It is easy for people to get carried

TION

**away with a big idea, but they only
have 24 hours. Make sure to keep**

Remind people that hackathons

ORA

everyone's expectations realistic.

are not only about developing

We promoted our exploration day

EXPL

products! Why not hack the of

with special posters that we put all

fice? Hack the culture? Hack your

around our offices several weeks

processes and procedures?

before the event.

Many hackathons are really 24

HAPPINESS

hours, meaning that people work

FOR

on their ideas all through the night!

GING

Make the appropriate arrange

Some people may feel guilty for

The best part of our event was

ments, if necessary.

not doing any productive work on

when everyone briefly shared what

MANA

an exploration day. Remove this

they learned, which we did using a

feeling of guilt by getting managers

projector. Everyone who showed

to participate as well.

off their experiment got a big

We got people to submit ideas and

round of applause.

experiments to a project board
before the event so that they could
find partners to collaborate with.

Before the event, we defined some
concrete success criteria, such as

[Find more ideas at m30.me/](https://m30.me/)

the level of participation, number

[exploration-days and m30.me/](https://m30.me/exploration-days)

of ideas generated, and average

[internal-crowdfunding](https://m30.me/internal-crowdfunding).

We got people to actually pitch
happiness level.

their ideas a week before our
exploration day.



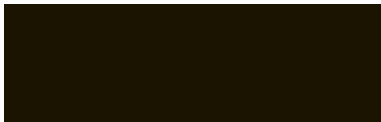
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6

business guilds and

corporate huddles

Share Knowledge, Tools, and Practices

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Many organizations

need to harmonize

practices, procedures,

and tools across teams
and departments. They
also need people to
share knowledge and
develop their craft by
communicating across

An idea is a feat
traditional organizational
of association.

boundaries. This is the

Robert Frost,

American poet

purpose and role of guilds

(1874–1963)

and huddles.



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The façades on the *Grand-Place* in Brussels, Belgium, look amazing. In the past, they were literally the images of the **guilds** of Brussels, representing some of the finest crafts in the country. Nowadays, the former guildhalls offer expensive Belgian chocolates to naïve tourists, who are unaware that the *really* good chocolatiers are situated on the *Grand Sablon* elsewhere in the city.





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Medieval Guilds

In the Middle Ages, professional workers were called artisans, and they often organized themselves in guilds.

For several centuries, those guilds were formed around disciplines such as carpeting,

carving, masonry, and many others. Sometimes, these associations

of artisans were very strict. They dictated the rules of business for

artisans throughout an entire country. Sometimes they were organized in a more relaxed way, with their guiding hands only reaching as far as the city boundaries. No matter how they were organized,

the guilds enabled people to learn a craft in master–apprentice

working relationships, and they defined proper procedures and

behaviors for all who practiced the craft.

Guilds [were] social networks that generated beneficial social capital by sustaining shared norms, punishing violators of these norms, effectively transmitting information, and successfully undertaking collective action.

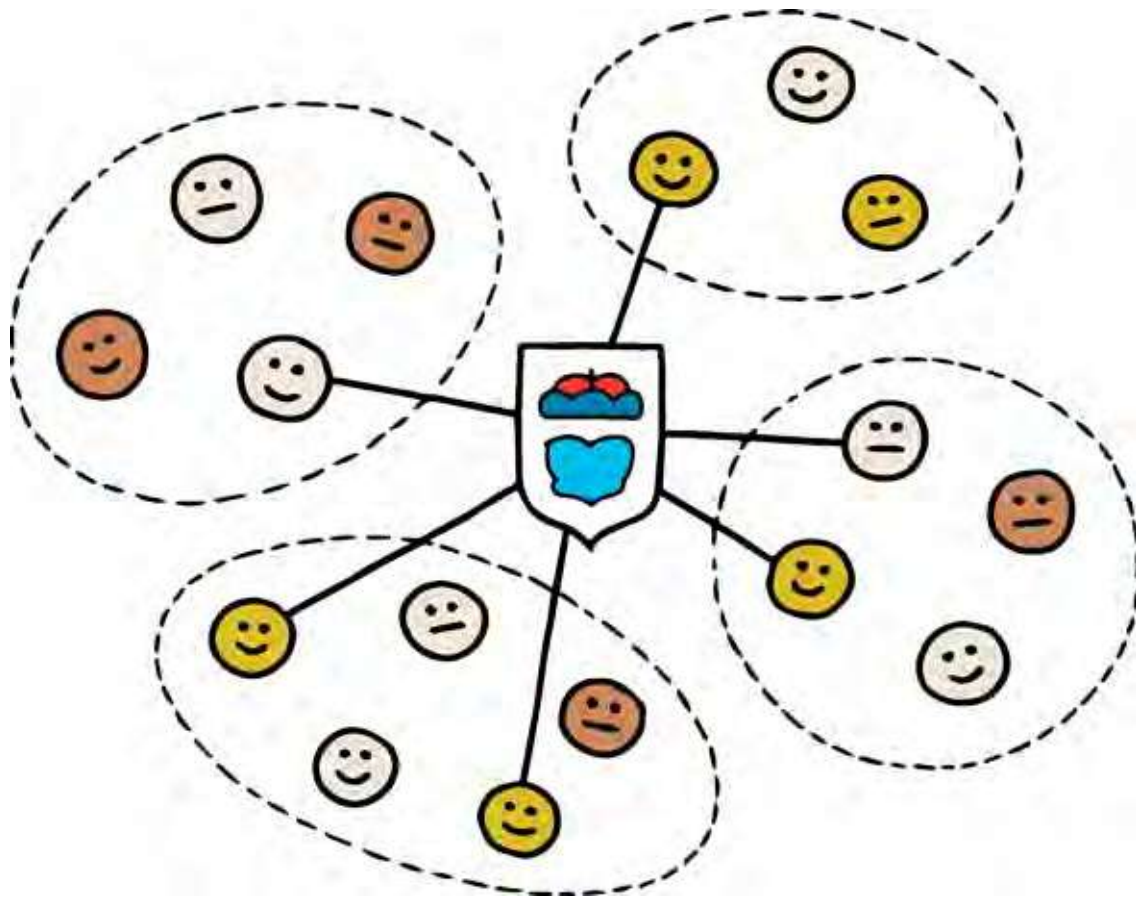
Ogilvie, “Guilds, Efficiency, and Social Capital”¹

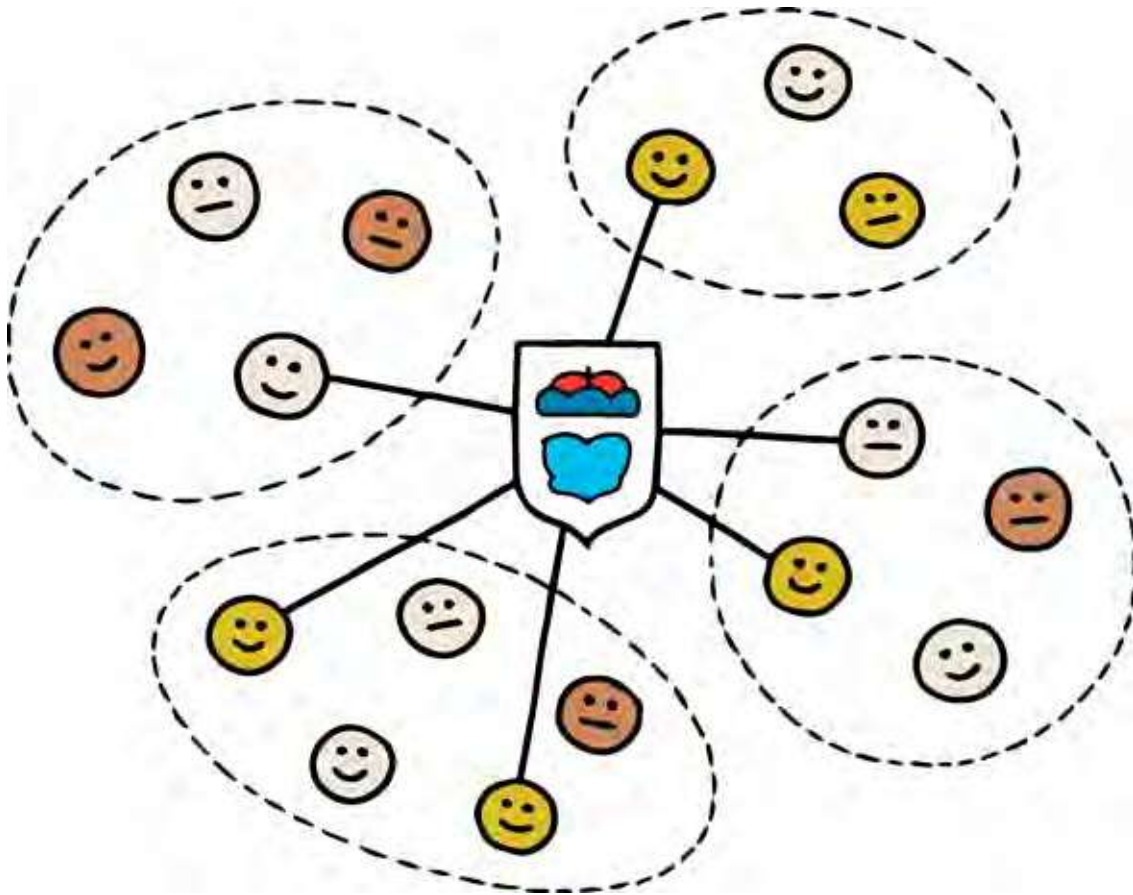
Unfortunately, when common sense devolved into politics, preserving power and making money became more important than sharing information and teaching students. With the help of the government,

the guilds even became counterproductive in terms of innovation. It seems a classic example of management corrupting an idea that is intrinsically valuable but susceptible to abuse.

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HUDDLES

Communities of Practice

TE

The purpose of a COP is for participants to learn and share ideas,

document lessons learned, standardize ways of working, initiate

Fortunately, good ideas rarely die. Nowadays, the artisans within a newcomers, provide advice, explore new technologies, and maybe CORPORA

company sometimes organize themselves in a modern version of a even apply some forms of governance. A COP can cut across teams, AND

guild called a *community of practice* ([COP](#)).² A COP is a group of pro-products, business units, and other organizational boundaries.

professionals who share a common interest or area of work, a common In doing so, it helps to strengthen the social network. Sometimes, a GUILDS

concern, or a passion about a topic. They can be organized around COP is in place for the duration of just one (big) project. Sometimes, roles, technologies, interests, and [anything else](#).³ Since COPs are usu-

COPs continue for as long as their members are passionate about an

ally informal and self-organized, and membership is voluntary, the area of work that binds them.

BUSINESS

people who are involved [are often passionate about their work](#).⁴ This

observation is closely related to one of Gary Hamel's "moon shots"

for business, which says that companies should see themselves as

["communities of passion."](#)⁵

HAPPINESS

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GING

Communities of practice are groups of people whose

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interdependent practice binds them into a collective

of shared knowledge and common identity. . . . When

people work this way, barriers and boundaries be-

tween people and what they do are often insubstan-

tial or irrelevant, since a collective endeavor holds

people together.

Seely Brown, “Complexity and [Innovation](#)”⁶

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Though the work of guilds is primarily about learning through col

A community of practice is a unique combination of

laboration, their usefulness can extend to other areas as well. For ex-

ample, an interesting aspect of business guilds is that they may enable

three fundamental elements: a domain of knowledge,

workers to have a bigger impact on the products, services, and business strategies of the organization, similar to the influence crafts-which defines a set of issues; a community of people

manship guilds had on the policies and laws of their city councils.

who care about this domain; and the shared practice

Through guilds employees have an impact on the way

that they are developing to be effective in their domain.

they are working in the company and the way the

Etienne Wenger, *[Communities of Practice](#)*⁷

company provides services to customers.

In different contexts, people use different names for (roughly) the same idea, such as learning communities, tech clubs, centers of ex-

Piotr Aniola, “[Guilds @ BLStream](#)”⁹

cellence, improvement communities, professional associations, or

simply user groups. The COPs at Spotify, the popular online music When guilds become institutionalized (formally recognized by man-company in Sweden, [are actually called guilds](#).⁸ It is the term I like agement), it is important to understand how conflicts of interest be-best because it has an affinity with craftsmanship that is already cen-

tween people, guilds, and management will be resolved. For example,

turies old. We could be more precise and call them **business guilds** to the Dutch gymnast Jeffrey Wammes (a professional) was originally distinguish them from the bigger professional associations and user not selected by the Dutch Gymnastics Federation (the guild) to repre-groups, which usually cover geographical areas instead of organizasent the Netherlands at the London 2012 Olympics. Wammes didn’t tions. No matter what you call them, there are three things that busiagree with that decision and took the case to court (the management), ness guilds all share. They cover a knowledge domain, a community of where the judge decided that Wammes had a good point, and that the enthusiasts, and a set of tools and practices.

federation had to reconsider its selection process.

In organizations, similar conflicts can arise. Perhaps some people desire that a product is delivered on a certain date, but a guild tries to

Business guilds cover a knowledge

block it because the product does not satisfy certain quality criteria.

Management will then have to make it clear to everyone which peodomain, a community of enthusiasts, ple are authorized to make which decisions and play the judge in case

there are different interpretations of the rules.

and a set of tools and practices.



It's always up to the government (or management) to define the decision had been made badly and ordered the two parties to start boundaries within which the guilds can make their rules but also to over. Likewise, in organizations, management can be a force that respect those boundaries. It is interesting to note that the judge did nudges people and guilds into a collaborative mode without making HUDDLES

not simply overrule the decision of the Dutch Gymnastics Federation the decisions for them.

TE

and give Jeffrey Wammes what he wanted. Instead, the judge said the

ORA

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AND

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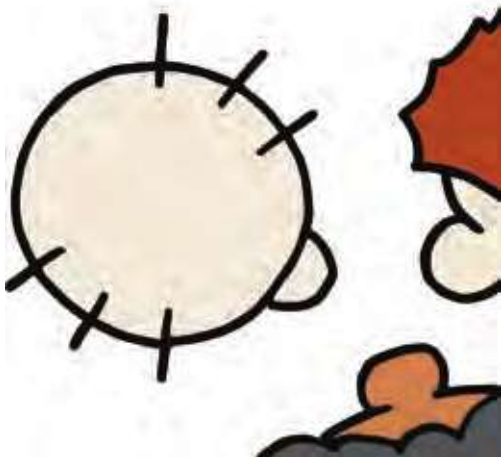
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GING

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Business Huddles

For some purposes, starting a business guild might

You can increase the chances of your

sound like too much effort with too little benefit.

huddles being successful by rotating

Sometimes, you just need to make a quick decision as

facilitator or leadership role of the

a group, or you merely want a brief update on the latest

huddle, by creating a regular schedule with

news and gossip within your community of creative work

xpected cadence, by injecting an ele-

That's where the *corporate huddle* comes in.

ment of surprise or fun (for example, with an

outside speaker from the Netherlands, or

I remember lunch meetings at one of the companies where I work

a small celebration), by keeping those

were among the most cringe-inducing practices our top management

who were not able to attend adequately in-

ever inflicted upon its employees. Once every three months

formed, by keeping the PowerPoint projector

gathering everyone in the lunch area for one hour, paying for pizza or

locked away, and by *not* organizing it in a boring

french fries, placing some department managers next to a computer and lunch

or conference room.

projector, and aiming PowerPoint slides decorated with bullet points at 200 glazed eyeballs. What I *don't* remember is anyone ever saying after

If you organize your corporate huddles well, there is a good chance wards, "That was great! I wish we did this every week."

that you will never need a traditional all-hands lunch meeting again because everyone in the community is already informed about the

Corporate huddles are all-hands meetings that allow for quick, horizontal decisions that they made together. People report that better cross-zontal decision making among peers.

They differ from traditional functional communication, less micromanagement, and breaking

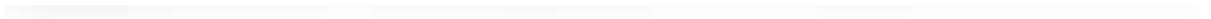
all-hands meetings in the sense that they are about peers informing down barriers between teams and departments are the major benefit and making decisions with each other, not managers instead of regular [huddles.11](#) And when you focus some of your regular forming nonmanagers about decisions that were already made within informal huddles on a specific topic or discipline, such as designing

[out them.10](#) Basically, you have a huddle when you get most members products, gathering user requirements, writing technical documents of a group in the same room and you invite everyone to contribute to a central discussion. presentations, you have the start of what could soon to a central discussion. That's the easy part. The difficult part is to become a full-fledged business guild. Before you know it, you will be making these huddles work and to have people say, "That was good! We

sharing insight and advice, helping each other to solve problems, should do this more often."

discussing aspirations and needs, and developing shared tools, standards, and documents.12

Corporate huddles are all-hands meetings
that allow for quick, horizontal decision making among peers.



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Tribes

HUDDLES

TE

Everyone can start a huddle or a guild. Is there something that inter

However, management *does* play a role as an enabler of this practice.

ests you the most in your current job? Is there a topic, practice, or Many creative workers struggle with big task lists, full calendars, technology that you are passionate about? Could a group of peers in and strict deadlines. It can be hard for them to join a community CORPORA

your organization benefit from a bit more coordination? Step forward that is focused on long-term learning rather than short-term re

AND

and unite like-minded people across the organization by rallying them
sults. Management should make it easy for workers by setting aside
around a shared passion.

an appropriate amount of time and other resources for huddles and

GUILDS

guilds.

Your corporate huddle or business guild can start with a small group

of enthusiasts gathered around a certain topic, but this can quickly One final
word of advice for those who feel motivated to start a BUSINESS

evolve into an online discussion board, a wiki, brown bag lunches, huddle or
guild: Try not to allow politics and corruption to get in off-site meetings, and
anything else that helps you collaborate across the way of your real purpose.
Perhaps a code of conduct, or even a

[multiple teams and departments.13](#)

constitution, can help you prevent negative social behaviors by guild

members from destroying the guild. You don't want your business

HAPPINESS

By initiating collaboration among peers, you will be forming your guild to
end up like the guilds of the old days, showing just a façade FOR

own **tribe**. [14](#) This is a good thing. Your tribe can define proper of their
former glory.

practices and rules of good conduct for professionals. It enables

GING

people across teams and projects to find appropriate levels of self-

MANA

governance without getting management involved in the details.

Management should make it easy

for workers by setting aside

an appropriate amount of time

and other resources

for huddles and guilds.

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Special interest groups

“I was a member of a management team working for an This thinking led to what we then called special interest R&D organization where we frequently had discussions groups (SIGs). Obviously, having people participate in about how to encourage better collaboration across SIGs led to discussions about the impact on our billing organizational boundaries. At the same time we had a rate and utilization, not to mention the added travel costs senior project manager with an agile mindset who spon

for our distributed organization. But we were able to

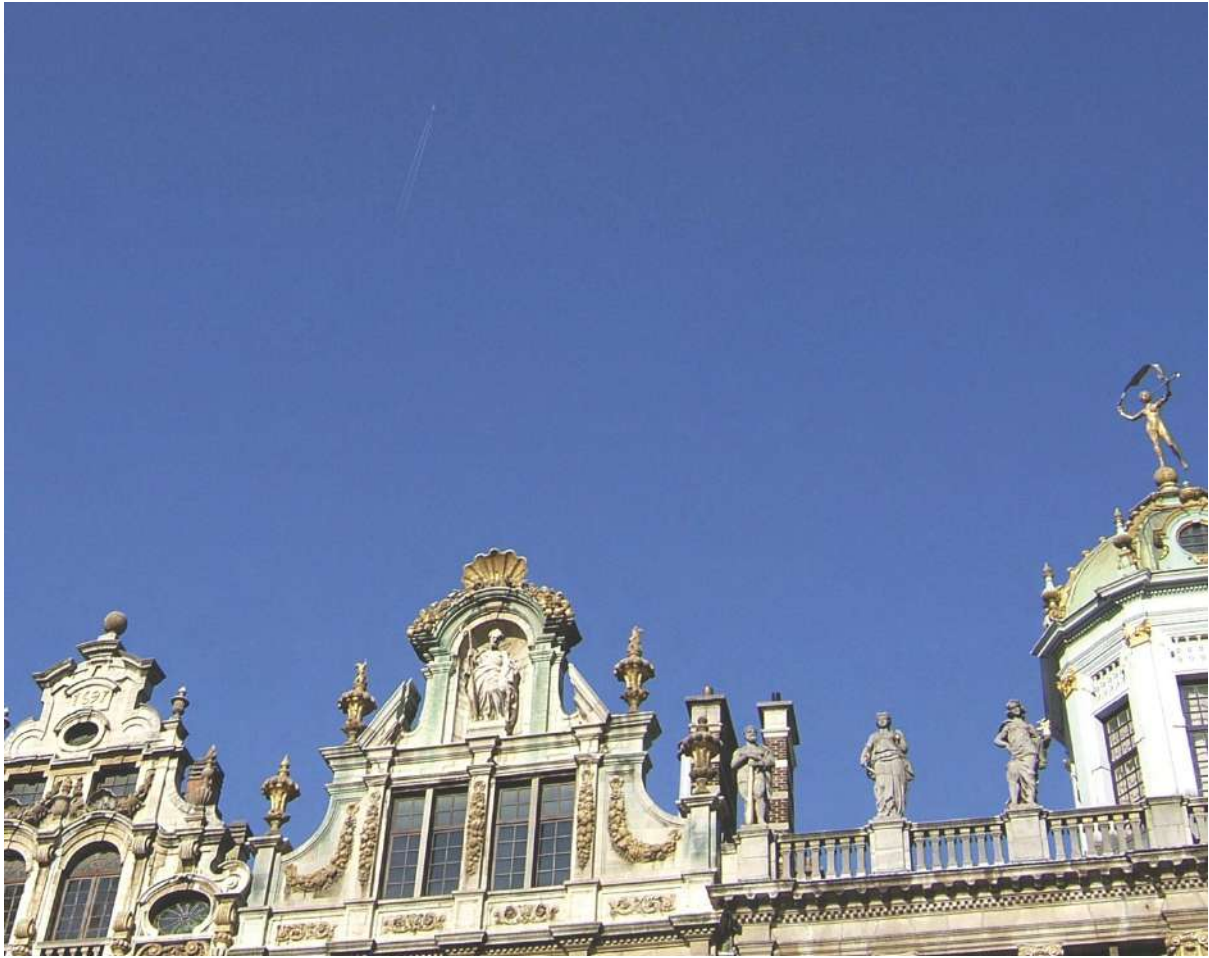
taneously started organizing brief meetings with other agree on the boundaries, and we gave the green light to project managers in order to discuss common concerns, the SIGs. Over time the SIGs proved their strengths. The good practices, and communication in general. The man

feedback we received from the people in our organization

agement team discussed this idea with her, and it dawned clearly suggested that the SIGs were appreciated and on us that her informal huddles were a great way to tackle that they generated genuine interest.”

the collaboration problem that we had identified.

Juhani Lind, *Finland*



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Guild KickOff day

“ComSysto is a fast growing consultancy company with around their favorite pitches, discussed them across teams distributed around Munich. To increase collabora

various time slots, and the end result was that guilds

tion, knowledge sharing, and the feeling of being connected, were formed, common goals were defined, and contracts we decided to implement business guilds in our own way.

were signed among the new guild members to establish

commitment.

We started with a guild kickoff day. Topics, goals, and

members were not defined at the start of this day, but We now support the guilds with Google+ and other com everyone was empowered to influence the formation of munication platforms, so that communication does not guilds. We did set a few constraints. For example, at the only happen in regular guild meetings. Within months end of the kickoff day, each guild needed to have a con

after the formation of the guilds, we are already able

tract, a minimum number of committed members, and to feel an increase of collaboration, knowledge sharing, a commitment to organizing one guild day per quarter. team growing, innovation, and happiness!”

The kickoff day started with the opportunity for people

to pitch one or more topics. Then, people self-organized Florian Hoffmann, *Germany*





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How to Get Started

Now that you know what business guilds and corporate huddles are for, it is time to start applying the suggestions.

1. What topic (technology, discipline, or role) are you most
4. Investigate how internal social networking tools, such as wikis
passionate about? Or which kind of work do you believe is in
and other collaborative platforms, can help your fledgling
need of some harmonization across the organization?
community build and sustain momentum.
2. Which other people in your organization are interested in this
5. Make sure that management knows about the huddles and that

topic and might be eager to join your cause?

they stay away from the messy details of the guilds, as long as the guilds work in everyone's interests. (Obviously, this doesn't

3. Send those people this chapter. Organize a first huddle and apply to corporate huddles that span an entire company or start discussing tools, processes, procedures, people, and department, which are usually initiated by management.)

policies. Maybe you want to refrain from using the term *business guild* right from the start and just focus on discussing

6. Ask management to set clear boundaries around self-something valuable with each other. Once people start saying, governance so that the new guilds can prove their merits

"This meeting was great! Can we do this again soon?" you have without cannibalizing other work and projects.

a good reason to suggest the formation of a business guild.

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Tips and Variations

HUDDLES

We have a weekly meeting with some

TE

people from several teams over lunch.

**It's very easy to get started if you
combine it with food. ;-)**

**Agree with management on the
CORPORA**

amount of time you can spend per

Creative workers' primary alle-

AND

week on guilds and huddles.

giance is often their specialization,

not their organization. Supporting

GUILDS

Google has a weekly meeting called

worker guilds is therefore in the

TGIF (Thank God It's Friday) to

interest of the company.

which the whole company is (virtu-

Some people organize regular meet-

BUSINESS

ally) invited. No matter the size of

ups in their city about Management

the company, there is always room

3.0. ([Check out the management30.](#)

for a huddle.

[com website.\) These are guilds, too!](#)

Get each guild member to organize
at least one session themselves. This

HAPPINESS

prevents them from expecting that

FOR

the guild leader does all the work.

GING

The huddle or all-hands meeting has

If you don't like the word guild, call

many other names, too. Just remember

it what you want. Just remember

MANA

that it should never degenerate into a

that probably nobody has ever

broadcast from managers to workers!

been inspired by the term *center of*

Support your guild with good

excellence.

collaboration tools for ongoing

conversations. It's often not enough

for people just to see each other

We formed a guild across a number

face-to-face once per month.

of small companies, which is great

We always say: “Any person from

for the exchange of ideas and experi-

another company should be able

ences across corporate boundaries.

to attend our meetings and find

them interesting.” This makes sure

[Find more ideas at m30.me/](#)

we discuss our profession, and not

[business-guilds and m30.me/](#)

specific projects, in our guild.

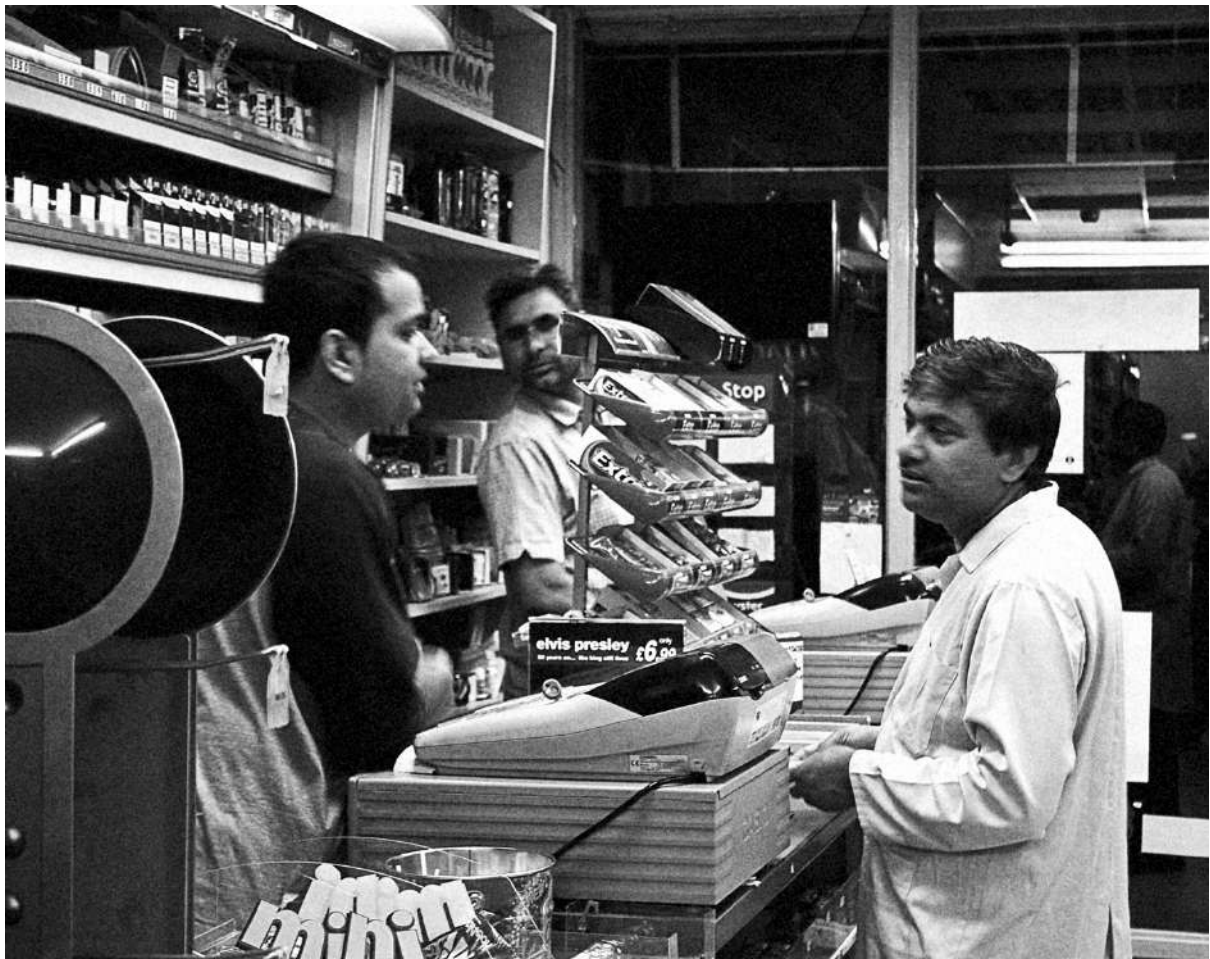
[corporate-huddles.](#)

Guilds can form their own hierar-

chies, similar to local sports associa-

tions self-organizing into national

and global federations.



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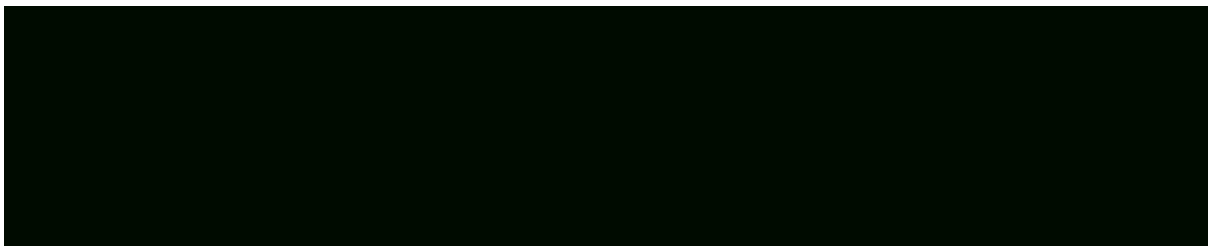
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7

feedback wraps and
unlimited vacation

Learn How to Offer Constructive Feedback

124

More and more employees

enjoy freedom in their

choice of working hours,

workplaces, and vacation

days, while some even

have complete freedom

in a trust-only work

environment. This

means face-time between

Idealism increases in

coworkers happens

direct proportion to

less often and we must

one's distance from

learn to give each other

the problem.

constructive feedback in

John Galsworthy,

English novelist

a way that is fast, easy,

(1867–1933)

and . . . written.



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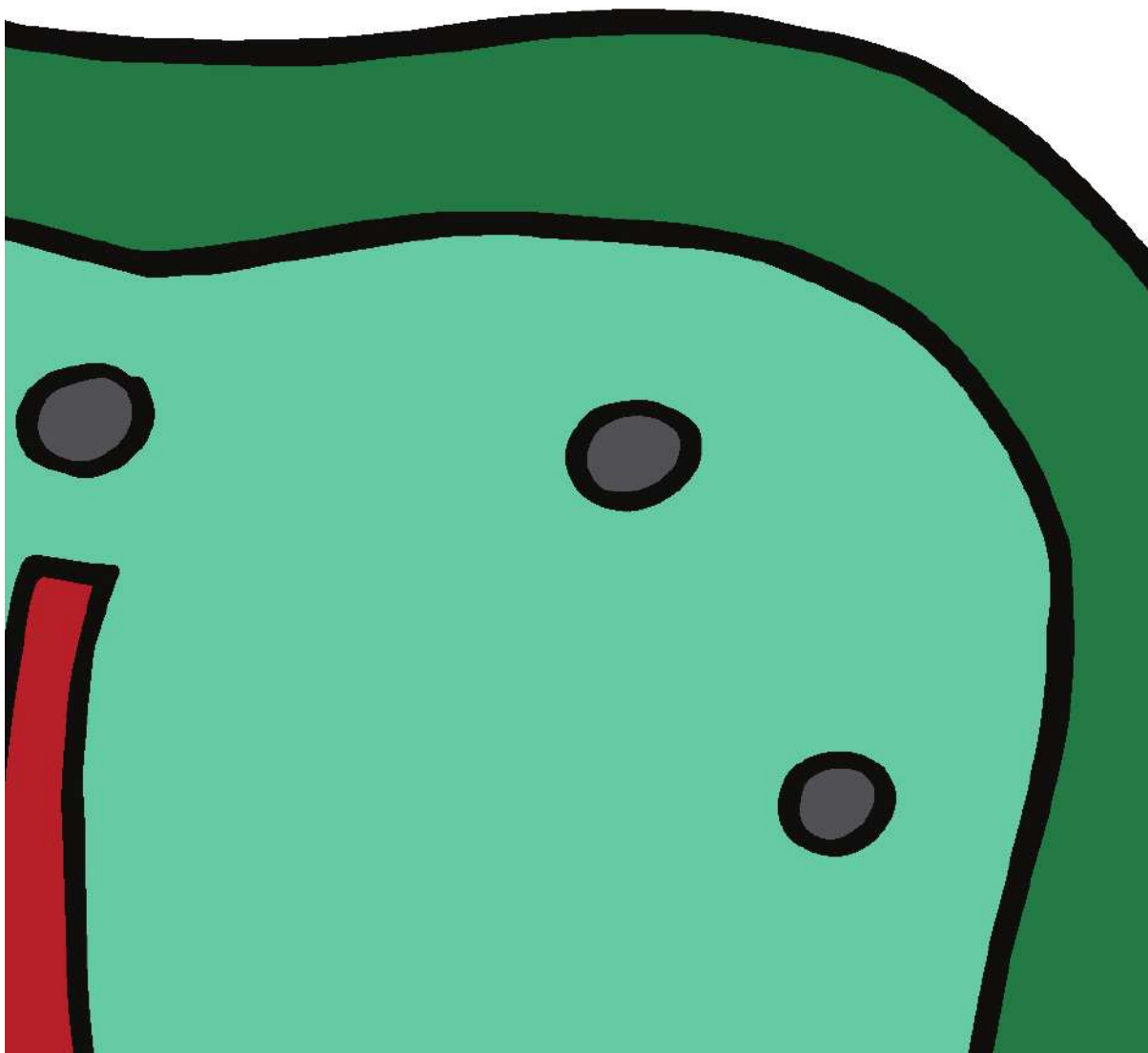
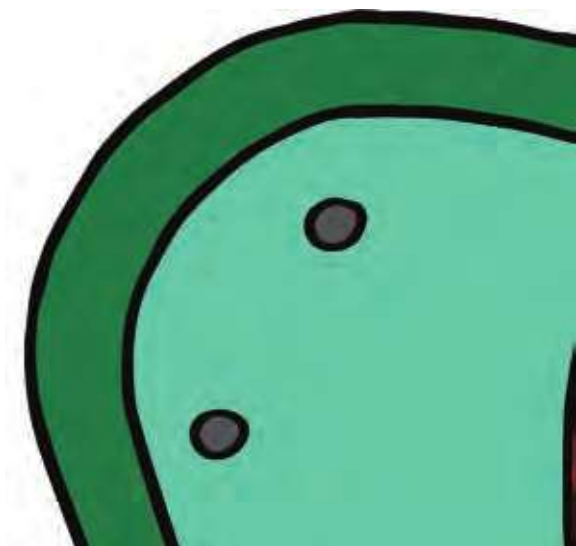
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The first time I became a manager at a small company I wondered Contrast that with the experience I had several years later at another about a number of things beyond just the size of my monthly salary. company that had a time clock. All employees were expected to check I wondered about the size of my end-of-year bonus, the size of my in and check out at the start and at the end of every day. Proof that office corner, and how many vacation days I should negotiate with this clocked time was actually monitored came when the financial the business owners. One of them said to me, “Why should I care how controller reprimanded me one day for “working” only 7 hours and 25

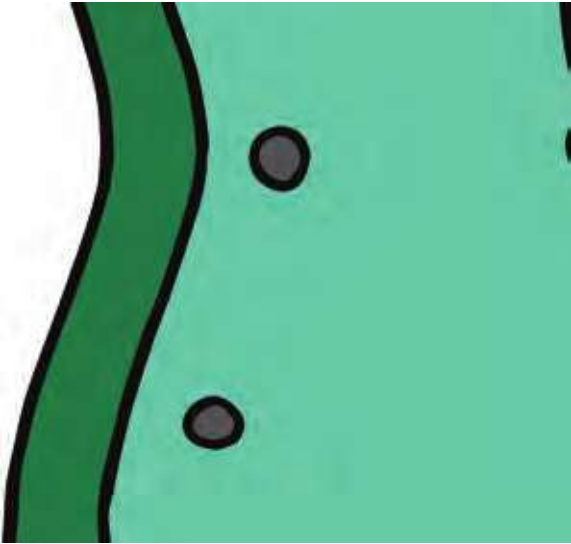
long you are away from the office? I just want to see a profit at the minutes the day before. Apparently it didn’t matter that I had clocked end of the year.” I remember feeling thrilled at the freedom, trust, at least 9 hours on other days. This is a clear example of a *time-driven* and responsibility I was given. After my studies, which were all about or presence-driven work environment.

achieving results no matter if I showed up in class or not, this was my first *trust-only* work environment.

You won’t be surprised when I say I preferred the former to the latter.









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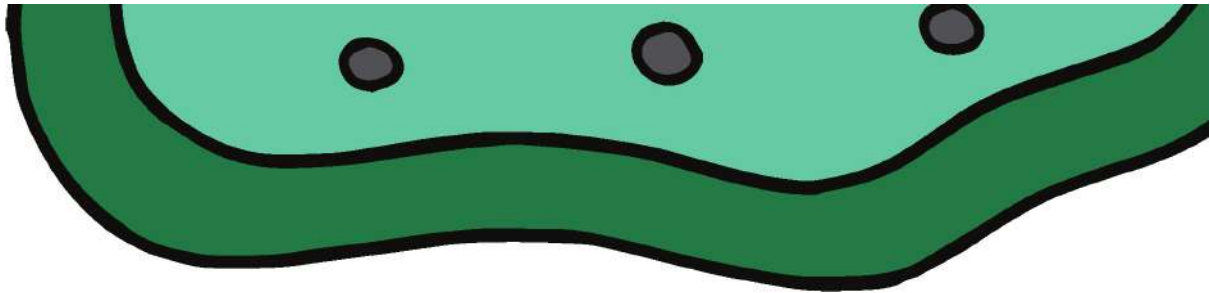
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13



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Flextime

I was at the office for only 7 hours and 25 minutes on that particular Dividing the world into two groups of people (those who work “nor-day because I had an appointment with the dentist, whose opening mal” hours and those who don’t) is clearly unrealistic. That’s why hours were almost as narrow as our finan-many organizations have introduced a *flextime*

cial controller’s mind. But compared

Such a policy often defines a core

to other workers, I suffered only a

slot when everyone is expected to

minor inconvenience.

the office, while allowing flexi-

bility for the other hours. Under

Many employees have to jug-

this policy, employees can easily

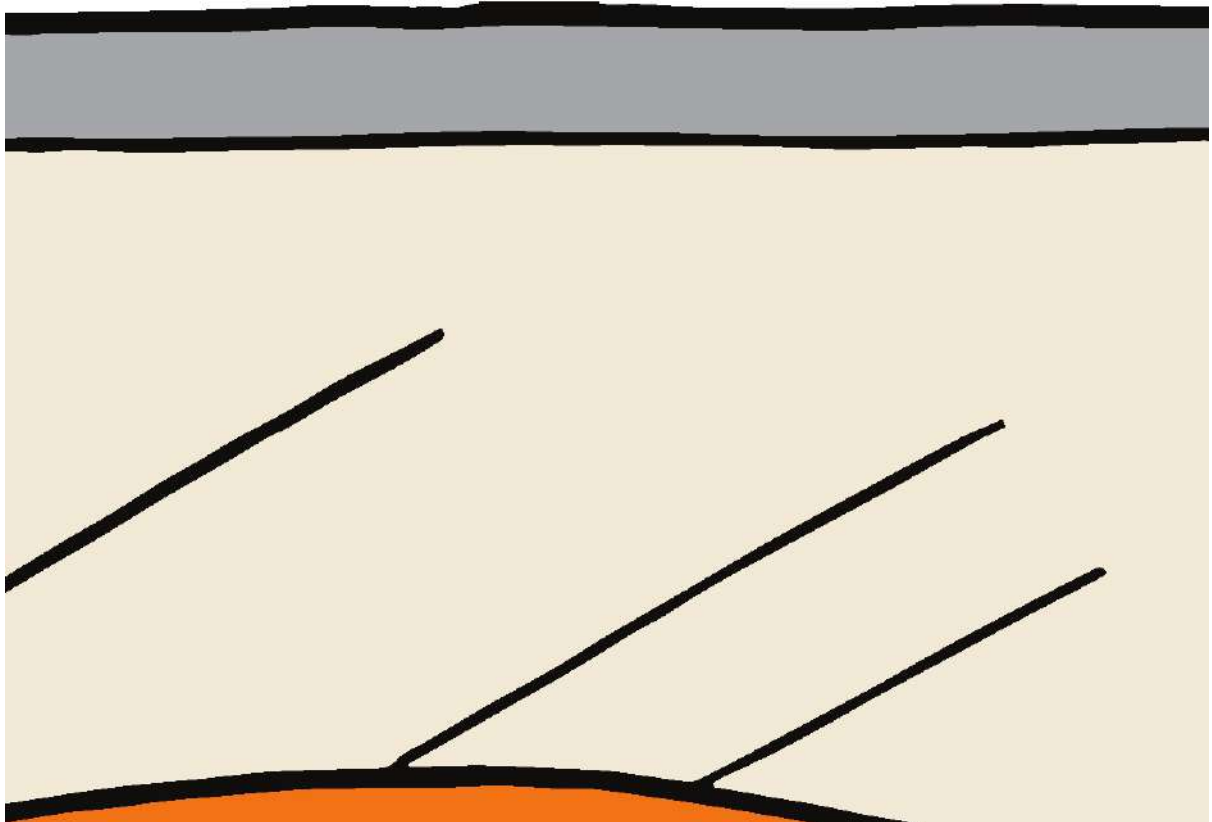
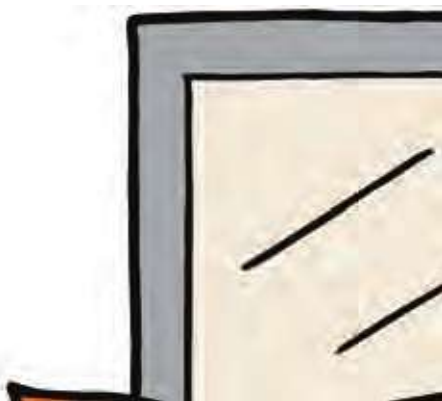
gle the challenges of drop-

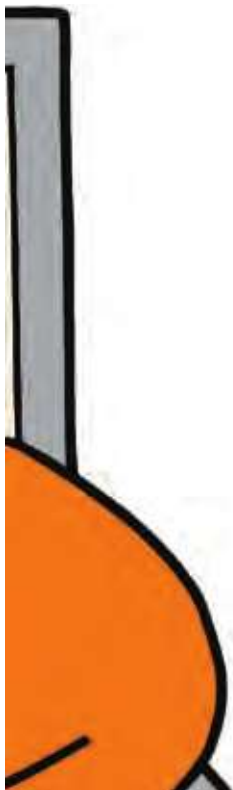
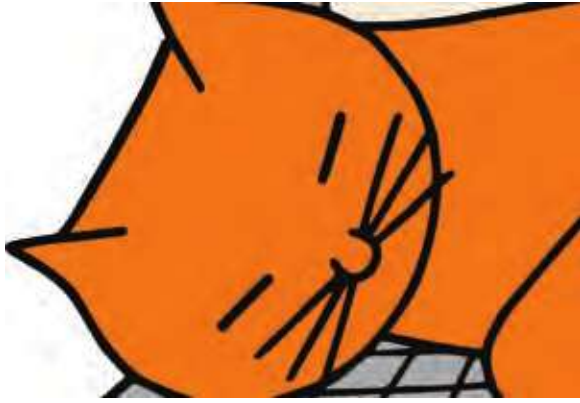
compensate for their 7 hours and
ping off and picking up their
25 minutes on one day by working
kids from school or day care,
showing up at the office for 8 hours
attending to their parents at
and 35 minutes on another day
an elderly home, visiting the
often called *compensation time*).

hospital to see a loved one, attending yoga classes, learning
was a first step toward a more
a foreign language, evading or
trust-driven work environment,
suffering traffic jams, working
which also meant a first step to-
out at the gym, walking the dog,
ward performance evaluations
donating blood, or doing chari-
based on effort and results, not
ty [work.1](#) It makes you wonder
on time.

if we want half the world to
work from 9 to 5, shouldn't

the other half be working
from 5 in the afternoon to 9
in the morning?





Remote Working

TION

CAAV

Fortunately, the “flexibilization” of work environments didn’t stop. And then there are other issues. When people work on their own as there. In a number of organizations, employees are allowed to do telecommuters, there is an increased risk of loss of trust, collaboration part of their work at home, in remote coworking offices, while time, and social cohesion.^{5,6} In other words, the organization may risk UNLIMITED

traveling abroad, at the day care center, or at the local Starbucks. losing a healthy [culture](#).⁷ [It’s no coincidence that even the hippest and](#) AND

A telecommuting policy

allows people to do their work where it trendiest Silicon Valley companies often spend large sums of money makes the most sense for them, given their personal circumstances on free food, games, massages, and fitness equipment in order to WRAPS

and the nature of their work. Multiple reports have indicated inkeep everyone together in the same office as much as possible.

CK

creased morale, better focus, higher productivity, reduced turnover,

and lower expenses in environments with a flexible attitude toward. Still, the option of doing useful work while away from the office seems FEEDBACK

the location of work.^{2,3} Also, such organizations tend to draw more like a second step toward a more trust- driven work environment.

experienced, high-quality workers who prefer to work wherever. And it is also a second step toward feedback systems focusing on *how* they want.

people do their work, not on *where*

they work.

HAPPINESS

Not unexpectedly, allowing people

FOR

to do their work anywhere creates a
bucket load of new challenges. What

GING

about privacy, security, and confidenti-

MANA

ality? What about people's equipment,
insurance, and travel [expenses](#)?⁴ Most

organizations feel the need to

develop a remote working policy that clearly defines people's
rights and responsibilities when

they are working away from

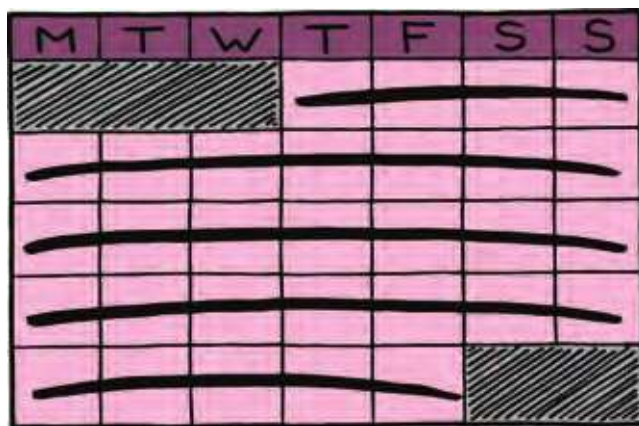
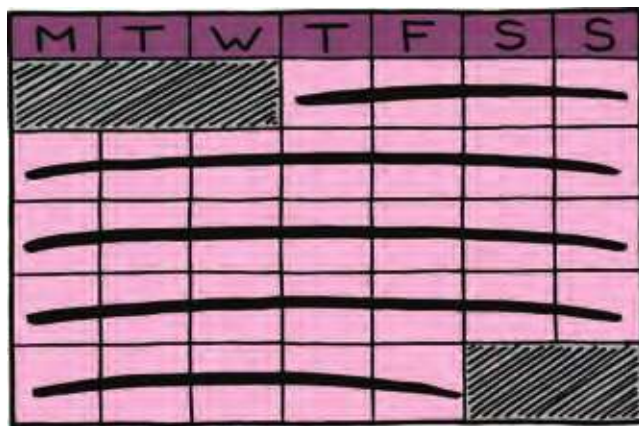
the office.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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Unlimited Vacation

We can even go another step further in making our work environare similar to the ones I mentioned earlier: better morale, increased ments more flexible. Ever since people have worked away from the productivity, higher retention,

and higher engagement.¹¹ And no tire office, the line between work time and free time has started to blur. some discussions about banking vacation days, half days, bonus days, When an employee books a vacation from the office, should that be and other nonsense.

considered as the first hour of vacation time? And when the same per-

son phones into an important meeting from the holiday resort, does Surprisingly enough, with that count as two missed hours of vacation?⁸ What about writing a an unlimited number of

report while babysitting the neighbors' kids? What about walking the vacation days and without dog after lunch while discussing a project with a team member?

any guidance on *how much*

vacation per year is rea

Smart organizations would rather not specify in detail what is and sonable, it appears some what is not allowed during specific times of the day, as long as people people actually take less do enough useful work *and* take enough time off. Plenty of studies time off than they should.

have found that time away from work, with regular vacations, im

The reasons mentioned

proves people's performance and lowers their stress levels, which most often are not wanting increases the quality of their output when they *do* work.⁹

to be characterized as a "slacker," not having the experience or cour-

age to say "no" to extra work, and not being able to choose (also called

Time away from work,

"choice overload").^{12,13} Taking into account these undesirable side

effects of an unlimited vacation policy, some companies are strongly

with regular vacations,

suggesting a *minimum* amount of vacation per employee, but no maxi-

mum.¹⁴ (This also happens to be the law in many countries.)

improves people's performance.

Assuming that we can properly address these side effects, the responsibility for one's own free time sounds to me like a third step. For this reason, companies such as The Motley Fool, Netflix, HubSpot, toward a more trust-driven work environment. At the same time, it Evernote, and Zynga have stopped defining how many hours per day is a third step toward performance feedback that must be based on people should work and how many days in the year they can go on actual work *performance* instead of work *presence*.

a vacation.¹⁰ The benefits of such an **unlimited vacation policy**

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Developing Trust

TION

CA

AV

"Trust people to get the work done."

- **Risk Tolerance**

Some people are risk takers, others are cautious.

Oh. Really? You believe in a results-only work environment?

UNLIMITED

- **Adjustment**

AND

Few topics are as widely misunderstood as trust. Everyone talks

Some people are optimists, others are pessimists.

about it, but when I ask for clarification, nobody can properly define

WRAPS

it. They all claim employees have a right to be trusted, but few are

- **Power**

CK

willing to trust a coworker to successfully perform open-heart sur

Some people have authority, others suffer from it.

gery, build a rocket, or win the Olympics.

FEEDBA

- **Security**

Trust is a rather complex topic. The model of trust that I trust most

Sometimes the stakes are high, sometimes they're low.

lists 10 factors that all contribute to the presence ([or lack](#)) of trust.¹⁵

- **Similarities**

HAPPINESS

Growing trust involves quite a bit more than “just relying on every

Some people are similar to each other, others aren't.

FOR

one to get the job done.” Not everyone knows *how* to do a certain job
(capability). This makes people uncomfortable with a limitless amount

-

GING

Interests

of freedom for themselves *and* for others (risk tolerance), which ac

Sometimes interests are aligned, sometimes they aren't.

MANA

tually feeds their *distrust* of a results-only work environment, which worsens their collaboration (communication), which further breaks

- **Benevolent Concern**

down trust, which nudges authoritative managers to “take action”

Some are nice to us, others . . . not so much.

and call everyone back to the office (power), which destroys another chunk of trust, which stops people from delivering on commitment

- **Capability**

(integrity), which evaporates the last bit of trust people still had.

Some know what they're doing, others . . . not really.

And that's just one possible outcome of a laissez-faire approach to a results-only work environment.

- **Integrity**

Some people deliver on commitment, others . . . forget it.

- **Communication**

Some can communicate well, some . . . —uhm.

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There is no better way to build cross-group trust and offset initial skepticism than to establish a strong track record of delivering on commitments.

Robert Hurley, *The Decision to Trust*[16](#)

On the other hand, I agree that merely trusting everyone, no questions asked and no strings attached, will often have the same results.

As an alternative, the spiral of trust could move upward. By allowing Instead, you should start with the premise that trust (maybe not in those with a *track record of delivering on commitment* (integrity) to work your interests, similarities, or benevolent concerns, but in your capability from home, you grow more trust in remote working. This reduces a bilities, integrity, and communication) needs to be established first manager's urge to "take action" (power), which generates more trust *before* you can do whatever you want. A focus on results not only among everyone that they can indeed self-organize, helping them to [follows but also precedes unlimited freedoms.18 It appears that a](#)

collaborate better (communication), which creates yet more trust results-only work environment is a right that has to be *earned*. [19](#)

and helps even the most risk-averse people (risk tolerance) to see

the benefits of a results-only work environment. The spiral continues Instead of focusing on results, I believe creative workers should fountil employees have earned freedoms they never had before and can cus on trust first. They should learn that trust is grown by delivering do work in ways they never thought possible (capability).

on commitments, communicating often and well, aligning interests,

showing benevolent concern, and so on. When trust is established

Human organizations are complex systems. We can imagine many *first*, it is much easier to discuss and evaluate results *later*. Expecting other vicious and virtuous cycles of trust, using any combination of trust to emerge automatically when just evaluating results is naïve the 10 trust factors. However, many authors believe that growing and short-sighted. That's why I prefer to talk about a **trust-only work** trust by focusing first on commitment (integrity) is a good bet.

environment. When there is trust first, there will be results later.

Create a trust-only work environment *before* a results-only work

Developing a track record of commitment and trust might take a lot environment. Trust me.

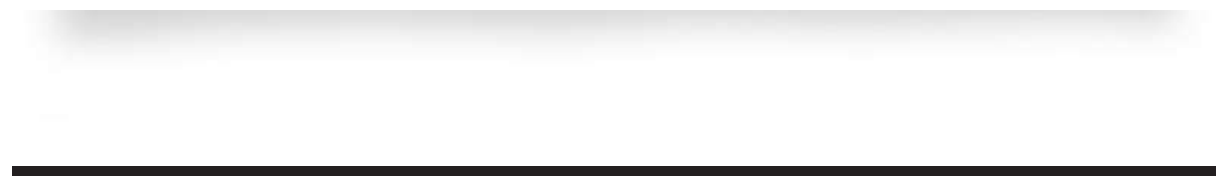
of time and effort. Trust is like money. It can take years to earn it, and it takes only minutes to lose it. Authoritative managers who commu

Developing a work environment in which we trust people to get their

nicate (intentionally or not) that nobody in the office can be trusted to work done also implies developing a work environment in which we set their own time schedule, choose their own work place, and select can give feedback about that work. We saw that the steps toward givetheir own vacation days do not develop trust. They merely *add* to the ing workers more freedom by removing the focus on *where* they work distrust that is already there in the organization's [culture](#).¹⁷ You may have also increased the need for evaluation about *how* they work.

wonder at the long-term effects of such a message on performance When work is something people *do*, not a place where they go, then and retention, but many experts already know.

feedback should also be targeted at what they do, not where they are.



When there is trust first,
there will be results later.

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Performance Appraisals

As soon as managers think about the possibility of switching from a
Traditionally, most businesses use a formal process involving **perform**

time-only or presence-only work environment to a results-only or **mance**
appraisals as the main (or sometimes only) way of “evaluat-trust-only work
environment, the first question that usually pops up ing” the performance of
employees. The performance appraisal is is, “How do we evaluate results?”
After all, a fair consideration is, “If described as a mandated process in which,
for a period of time (often we are not supposed to measure the *input* (the
amount of time some-annually), an employee’s work performance, behaviors,
and/or traits

one is present at the office) we need to measure the *output* (the actual are rated, judged, and/or described by someone other than the rated results produced) or else we won't know why we are paying that per-employee, and documented records are kept by the [organization.21](#)

son a salary.” And then they create yet another policy.

Managers and HR professionals believe they need this process in order to:

In policies, we see at-will agreements and elaborate

1. help employees improve their performance;

rules of conduct (so we can fire you easily when you

2. motivate employees with coaching and counseling;

screw up), elaborate policy manuals (we're in control

3. enhance communication with valuable feedback;

and you're not a responsible adult), time clocks and

4. find a fair way to distribute compensation;

leave approval slips (we don't trust you), attendance

5. have useful data for promotions and staffing decisions; and

awards and incentive pay (you really don't like to

6. collect a paper trail in case they need to fire someone.

work), suggestion programs (“If you have an idea, put it

in a box”), and, of course . . . the sacred cow, the Godzilla

Second only to firing employees,

of them all—yes, the performance appraisal.

managers hate performance

appraisals the most.

Tom Coens and Mary Jenkins,

Abolishing Performance Appraisals²⁰

133

TION

CA

AV

Regrettably, the practice doesn't work. Performance appraisals have a terrible track record.²² While most companies appear to use them,

Performance appraisal has become more than a man-

a great majority of people find them completely useless and often

UNLIMITED

counterproductive.²³ A significant body of research confirms that **agement tool. It has grown into a cultural, almost**

AND

performance appraisals usually destroy intrinsic motivation and

team collaboration.²⁴ This typically stressful annual ritual of appraisal-anthropological symbol of the parental, boss-subor-

WRAPS

als almost always fails for a number of reasons: The employee and

CK

manager have opposite mindsets; pay often has nothing to do with

dinate relationship that is characteristic of patriarchal

performance; no manager can ever be objective; the performance

FEEDBACK

checklists are too generic; the evaluations create distrust; and indi-

organizations.

vidual evaluations destroy teamwork.^{25,26,27} Many managers seem to

have at least an idea that something's wrong because, second only to

Tom Coens and Mary Jenkins,

firing employees, they hate performance appraisals the most.²⁸

Abolishing Performance Appraisals³⁰

HAPPINESS

FOR

Nobody has been able to supply evidence that appraisals will help

organizations improve their performance in the long term. Most

THING

managers and HR professionals just take them for granted without emerging
globalized creative economy. Remote working, contract MANA

truly thinking about their many [hidden assumptions](#).²⁹ If performance

workers, agile and lean methods, and many other trends make it more

appraisals were themselves subject to a performance appraisal, they and more
difficult to organize formal performance evaluations be-would be fired on the
spot for complete lack of any concrete results. tween "superiors" and their
"subordinates." (Case in point: My spouse Worst of all, they reinforce the
hierarchy that modern organizations hasn't had any recent performance
appraisals because he's always should try to get rid of.

away from the head office!) Better to get rid of this useless ritual

completely and replace appraisals with something that makes more

Fortunately, the world is slowly waking up. One by one, both small sense in the twenty-first century.

and big organizations are getting rid [of performance appraisals](#).³¹

One main reason is that the practice is unsustainable in light of the So, what *should* we do?

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[REDACTED]

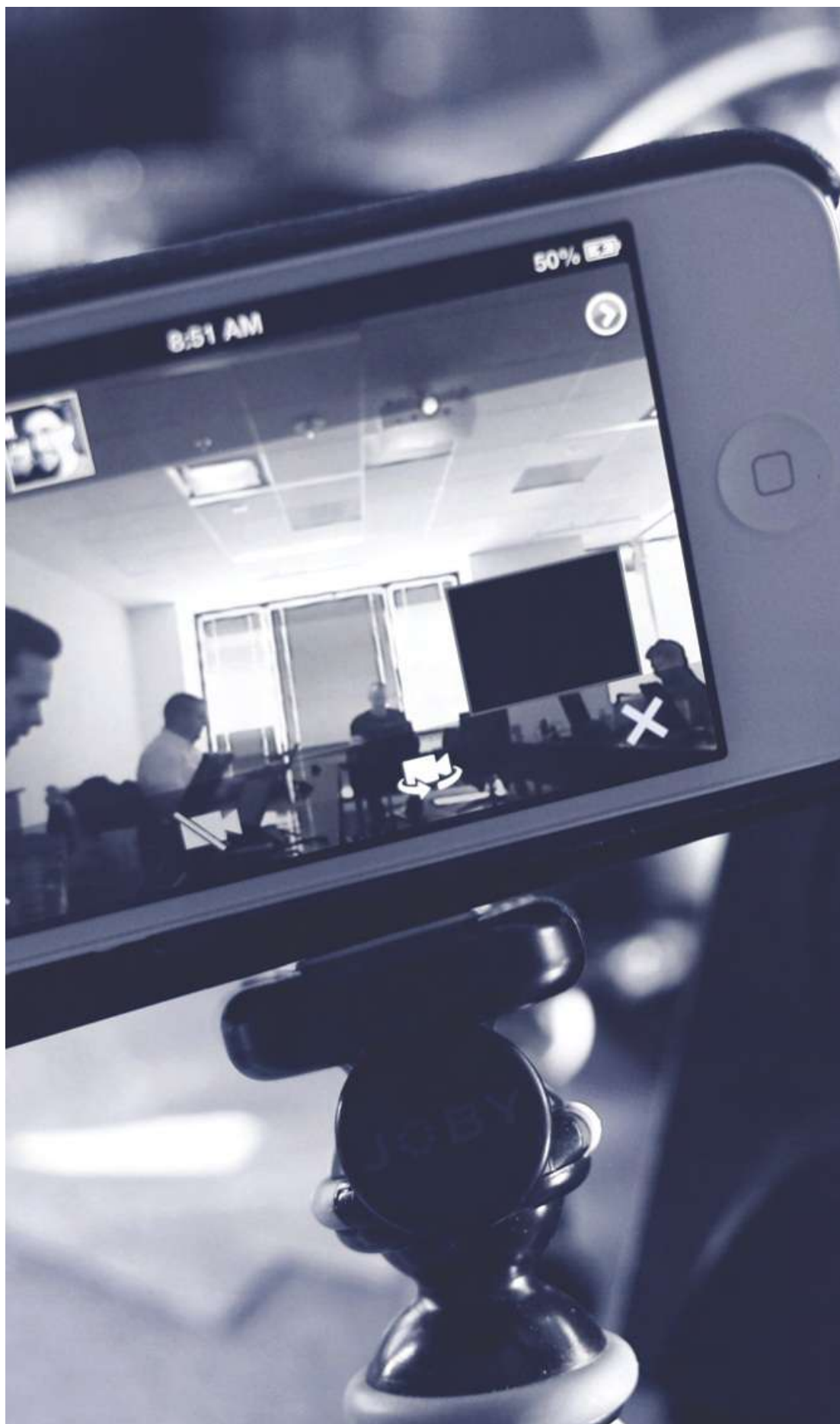
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



<http://www.flickr.com/photos/mccun934/8405045975>

134

I believe the first thing we must learn is how to offer *written* feedback to our colleagues in an easy, honest, and *friendly* way. I would like to emphasize friendly because research shows that a “treat ’em

mean, keep ’em keen” approach undermines morale and motivation

in organizations, which destroys collaboration between employees

[as well as their performance.](#)³² It sounds obvious, but sadly, it seems

necessary to remind managers of this fact. When feedback is honest,

however, [research shows that engagement goes up.](#)³³

With more and more employees working remotely instead of at a

central office, we need a way to provide frequent, honest, and friendly

feedback on each other’s work via e-mail and other online tools instead of only relying on face-to-face conversations. We cannot wait with our evaluation of someone’s new design, report, software app, or

quality process until the next time we happen to run into them at the

office. (That could take a while!) Considering they don’t want us to

monitor their working times, workplaces, and vacation days, creative

workers have a right to receive useful feedback on their results and

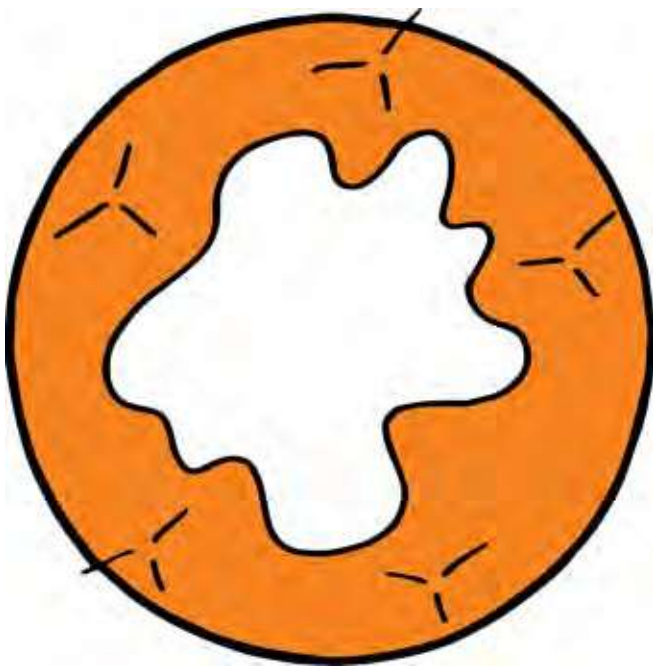
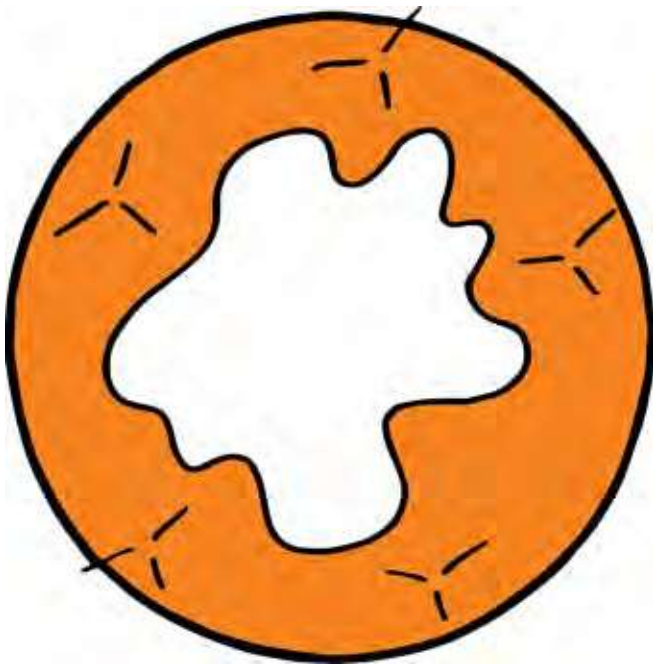
they need it *fast*. Feedback needs to be part of our work every day.

Feedback should be *normal*. [34](#)

Creative workers have a right

to receive useful feedback on their

results and they need it fast.



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Step 1:

TION

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AV

Describe Your Context

The purpose of feedback is to help

UNLIMITED

people improve their work.³⁵ It

By starting with a description of your personal situation, you enable

AND

is crucial to realize that your

the people on the receiving end to notice any similarities between

goal is not to make them feel

them and you, which can generate trust. (“The flu? I feel sorry for you.

WRAPS

good about themselves.

My husband is suffering from it right now!” “In Shanghai? Cool, I was

CK

Your goal is to make them

there last year!”) You also allow them to appreciate your attempt

feel good about your

at communicating well and they will better understand the context

FEEDBA

feedback. When people

of your evaluation. Instead of “your Twitter feed on the homepage

appreciate constructive

doesn’t work!” they will read “your Twitter feed on the homepage

feedback, you increase the

doesn't seem to work from my hotel room in Shanghai!" This would

chance that they will act on

allow them to correctly identify the Great Firewall as the source of

HAPPINESS

it.³⁶

the problem. (Yes, this is a real, personal example.) And if you want

FOR

to say the work looks horrible, this could be easier for someone to

As a first step, it is useful to start

accept knowing it sucked from the perspective of someone suffer

GING

any attempt at giving feedback by doing a crappy Wi-Fi connection, an old smartphone, bad coffee, three MANA

scribing your context.

Briefly mention the environment you find screaming babies, and a terrible hangover. This allows the creative yourself in, your state of mind, and the expectations and assumptions worker to keep believing the work actually looks great in the worker's you have, which may all influence your evaluation in some way.³⁷ For own safe environment, but offers the additional challenge of making example, "I am reviewing the new website from my hotel room in it look good for someone in a less favorable context.

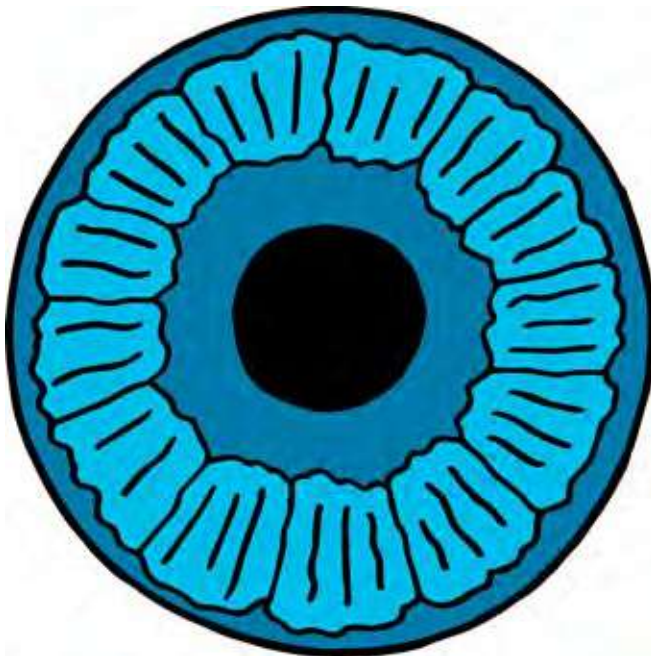
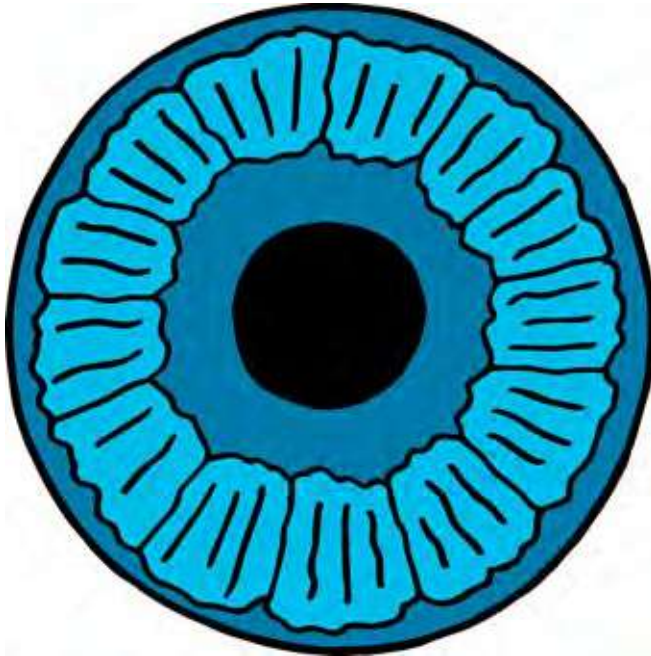
Shanghai, feeling a bit tired after a long conference day, but I don't

want to keep you waiting. I work with the assumption that the web-

site I'm looking at is the beta version, which implements all features

we discussed in the last sprint." Another example: "I'm giving you this

feedback early in the morning, after a cup of tea and half a bottle of vitamin pills. I think I caught the flu! :-(I have the third draft of Chapter 4 in front of me now, as a PDF on my Android tablet. I understand it still needs to be copyedited.”



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Step 2:

List Your Observations

The purpose of the second step is to

By keeping observations and facts separate from evaluations and

explain the things you observe,

judgments, you can avoid unhelpful generalizations. The comment

in terms of facts and experi

“nothing you delivered has ever worked as promised” might *feel* true

ences as if you have the eyes

to you, but is less likely to inspire improvement than the comment,

of a researcher.

Do *not*

“A cryptic error message (see attached) prevented me from accessgive your opinion on what’s ing the application. It looked similar to the error message I reported

wrong or right about the

last time and the time before.” When you decouple observation from

person’s traits, knowledge,

evaluation, you decrease the chance that people hear harsh, unfair

or professionalism. Only

criticism, and you increase the chance that they are willing to improve.

focus on the things you

can actually see about the

Do not fall into the trap of only pointing out things that are below

work or behaviors.^{38,39} Make

expectations. You *must* also point out the things you noticed that are sure that anything you report

beyond what you expected. For example, “I was surprised to see the is a plain fact. It should be as if the

e-mail address was validated in real-time,” or, “The joke in the first feedback is coming from a scientist’s

paragraph made me laugh unexpectedly, and I sprayed my cappuccino

mind and, therefore, hard to deny or ignore. By just listing plain observations instead of emotional outbursts, you communicate your not just useful for novices: Even experts and top performers appreciate competence, which adds to the generation of trust.

ate recognition of their talents every now and then.^{40,41} It also makes

problems and issues easier to act on for those on the receiving end

For example, the feedback “the Twitter stream on the home page when they see there is a genuine appreciation for the things that doesn’t work” can be easily dismissed with “it works fine on my computer. I am done well.

puter.” Instead, you could say, “Under the Twitter header on the home

page, I see an empty gray box. I expected to see the three or four latest tweets from our corporate account.” Whether things “work” or not is while reviewing the work, both below and above expectations, as if an interesting topic for a philosophical debate in a hotel bar. The *fact* you have been giving the commentary to a live sports event you had is you are looking at an empty gray box. This cannot be denied, unless been eagerly awaiting.

you have a track record of poor eyesight.



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Step 3:

TION

CA

AV

Express Your Emotions

Now that you have your list of facts and observations, it is time to If you want, you can emphasize UNLIMITED

evaluate the impact they had on you. Yes, feel free to get emotional! the separation of facts and feel

AND

ings by adding emoticons to the

observations you reported in the

WRAPS

By expressing the emotions you felt when reviewing someone's previous step:

CK

work, it is easier to connect with the other person, and it can help

you prevent or resolve conflict. You use it to express your benevolent

Observation

Feeling

FEEDBA

concern for good results, which again adds to the growth of trust.

For example, you can report that you felt *slight annoyance* when you "Under the Twitter header on the home page I see an empty gray

:-/

saw no results in the Twitter box on the home page, and you felt *great* box. I expected to see the three or four latest tweets from our *amusement* at the joke in the first paragraph. The automatic e-mail adcorporate account."

HAPPINESS

dress validation made you feel *happy* at the competence level of your

FOR

coworker, while you felt *anger* when seeing the cryptic error message "A cryptic error message (see attached) prevented me from

>:-)

for the third time.

accessing the application. It looked similar to the error message

GING

I reported last time, and the time before.”

MANA

Don’t be tempted to make assumptions about what *other* people

might see or feel when reviewing the work. “No user will ever un

“The joke in the first paragraph made me laugh unexpectedly, and

:-D

derstand the icon on this button” is not good feedback because it ex

I sprayed my cappuccino all over my notebook.”

presses frustration. It is *not* a fact augmented with a feeling. A much

better comment would be, “I saw a shower icon on the wall, but it took “I was surprised to see the e-mail address was validated in real-time.”

:-)

me a minute to understand that it was actually the light switch for the

bathroom. It made me wonder if other users would make that con

“I saw a shower icon on the wall, but it took me a minute to understand

((+_+))

nection more easily than I did.” (Yes, being respectful often requires a it is actually the light switch for the bathroom. It makes me wonder if few more words than responding like a jerk would.) What is reported other users will make that connection more easily than I did.”

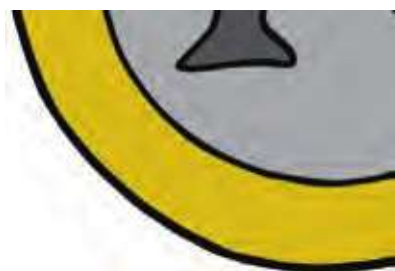
here is a misunderstanding (fact) and the expression of puzzlement

(feeling). You can argue for hours about what other people might or
Explicitly listing the words *annoyed*, *angry*, *laughing*, *happy*, and *con*

might not understand, but nobody can deny your own observations *fused*
probably makes your report a bit easier to comprehend, but I and your own
feelings.⁴²

think there's value in playfulness. Personally, I appreciate people being
serious about not taking work *too* seriously. {8-)









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Step 4:

Sort by Value

In the fourth step, you might

In my opinion, it is misleading to talk about “positive feedback” (com-
useful to sort the observations

pliments) versus “negative feedback” (criticism). As we’ve seen, your

the value that you recognized

feelings can be described as positive or negative, and the *value* of what in the work.

Usually, most

you observed can also be positive or negative. But your feelings about of the things that resulted in

discovering negative value can be positive, and vice versa. There a positive feeling will have a fore, your feedback as a whole should be called neither positive nor

positive value for you, and

negative.⁴³ It is merely a list of factual observations, positive/negative the observations that led

emotions, and positive/negative value. The end result communicates to a negative feeling will

that your interests are aligned with the other person's interests, and have a negative value. But it

this creates more trust.

doesn't have to be that way!

For example, someone could

have made a hilarious mistake

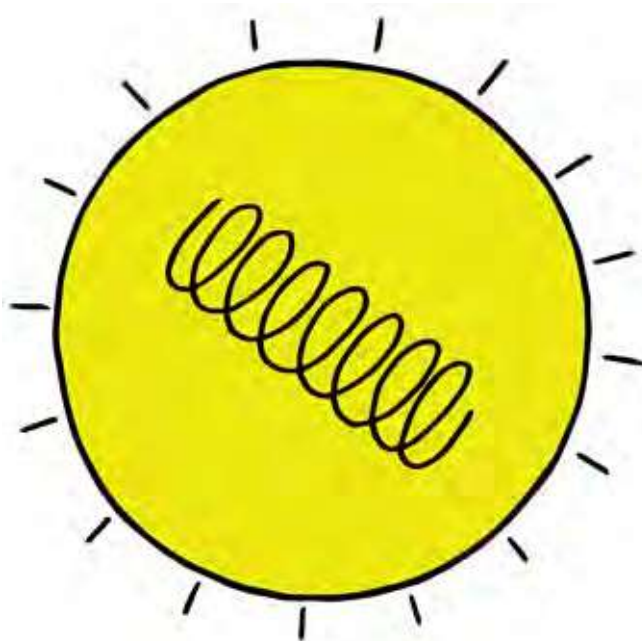
that made you laugh out loud (a

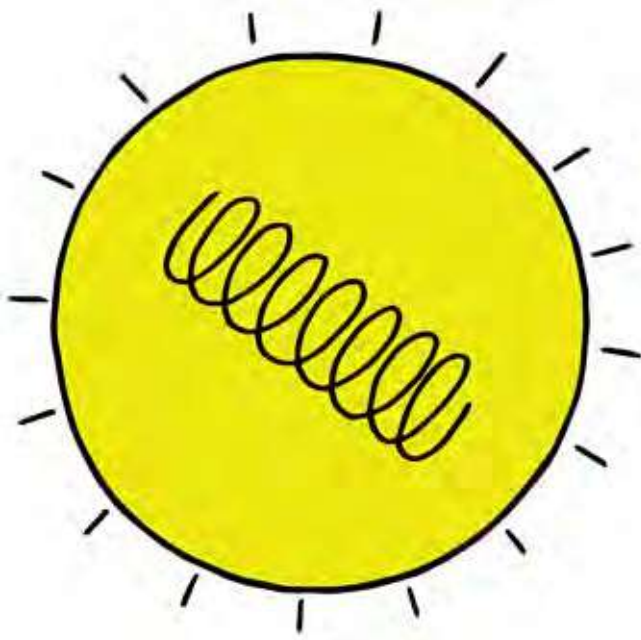
positive emotion) but the embarrass-

ing error must certainly be corrected (negative value). On the other

hand, some other issue could have made you feel annoyed (a negative emotion), but maybe this helped you discover something crucial that would have cost you an arm and a leg if it had not been discovered early enough (positive value).

Assuming that people read your feedback from top to bottom, it will be helpful to put the most valuable observations at the top and the least valuable ones at the bottom. This makes sure people first learn how their work has *added* value for you; and only after that, they learn how their work has *subtracted* value. It seems like the equivalent of starting with compliments before dealing with criticism, though it is actually not the same thing.





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Step 5:

TION

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AV

End with Suggestions

OK, it's time to wrap up! You've

Remember that your suggestions are . . . just your suggestions.⁴⁵ Pro

UNLIMITED

spent some time describing

professional creative workers may disagree with you. That's why we call

AND

your context, listing your other professionals and creatives. But when you practice the separations, expressing your opinion of facts from feelings, feelings from value, and learn to wrap your

WRAPS

feelings, and sorting items

report inside a context, spiced up with some suggestions, I'm sure

CK

by value. Now it is time to

most creative workers will be delighted with your approach to giving

end your feedback on a

feedback.

FEEDBA

high note. You can do that

by offering a couple of

It is said that experts usually look for things to improve, while novhelpful suggestions.

ices usually look for confirmation that they're doing well.⁴⁶ With the

method described here, you can serve both groups. In fact, you don't

HAPPINESS

Assume that everyone wants

even need to know if someone is an expert, a novice, or anything in

FOR

to do well. If people don't perbetween. What you offer are observations, feelings, and value. It is form well, the fault should be found in

up to them to decide how to consume your healthy feedback wrap.

GING

the system around people that is preventing them from doing a great What they will certainly appreciate is that you can deliver a feedback MANA

job.⁴⁴ Therefore, any evaluations of performance should reveal syswrap fast, which communicates integrity and commitment, the first temic problems, not personal failure. Your suggestions for improveand foremost prerequisites for trust.

ment should reflect that mindset. For example, you could end with,

“If you find this useful, I would love to help review the design process.

Maybe we can discover why some error messages keep occurring.” Or

you could say, “If you want me or other people to test the Twitter box

on other computers and other browsers, let me know.” Or you could

make an offer such as, “I attached some examples of icons that you

might find helpful. They are just sketches, of course.”



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<http://www.flickr.com/photos/edans/6673485073>

I believe both are true, depending on who is listening (or reading). Research confirms that novices prefer support. However, many authors have proband confirmation while experts prefer lems with the praise sandwich. Some honesty and valuable information.⁵⁰

The praise claim that people hear only the posi

Therefore, novices who feel insecure

Sandwich

tive parts of the praise sandwich and about their capabilities may seek con

One well-known method for constructend to ignore the bad stuff offered
firmation they are doing a good job and tive feedback is called the “praise
between the compliments.⁴⁸ Other might only pick up the compliments.

sandwich.” It suggests that any critiauthors claim the opposite, saying that
Experts who desire honest evaluation, cism should be wrapped between
posihuman brains are wired to respond to however, focus only on the
criticism tive comments before and after the negative information, meaning
they and may dismiss the compliments in the criticism.⁴⁷

ignore the compliments.⁴⁹

praise sandwich as insincere flattery.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

141

Written Feedback

TION

CAAV

With employees and other creative workers continuously moving Even then, you *still* have little control over other people's interpretation between projects, working both inside and outside the office, and tions. But let's not pretend that people are any better at offering and enjoying free time and vacations whenever they think they can, it is receiving verbal feedback. I believe people's response to feedback, UNLIMITED

crucial for employers and coworkers alike to develop the capability of whether written or verbal, is mainly determined by their inner state AND

giving and receiving honest, constructive feedback on results. Trust-

of mind and any conflicts they have with themselves. When a person's

only work environments should be [feedback-rich.51](#) This means there thinking is dominated by self-criticism, regret, pride, or some other WRAPS

should be frequent feedback about the same products and processes very common human mental state, the response to your feedback CK

[from different people.52](#)

may be unexpected and may seem [illogical.53](#) No amount of tweaking

of words, whether verbal or written, can prevent an outburst of being

FEEDBA

In agile software development communities, when the release of a human product is painful and time-consuming, it is often said it should be

done *more often* so that people are forced to learn how to make it. And yet, though I am among the first to admit that face-to-face discussion is painless and easy. With constructive feedback, it's the same. Discussions are crucial in all human relationships, I am convinced that HAPPINESS

tionally, performance appraisals are done once a year in a big, painful, the health of such relationships can be improved significantly with FOR

and time-consuming way. For a creative worker, the challenge should be respectful written feedback on each other's work in a trust-only be clear. How can we give feedback *every day*? The feedback wrap work environment. Written feedback also helps you to keep proper GING

will help you do exactly that. With a bit of experience, you can send documentation, to think more carefully about delicate issues, and to a feedback wrap in less than 15 minutes. And a feedback wrap is also report on observations, feelings, and value in a well-balanced manner

MANA

easy to *ask* for.

ner. And most important of all, feedback wraps can be delivered *fast* and *often*, and nobody needs to wait for scheduled face-to-face per

Obviously, because this is all about *written* feedback, your words must be performance appraisals (which shouldn't happen anyway).

be picked carefully. Written language must often be softened with

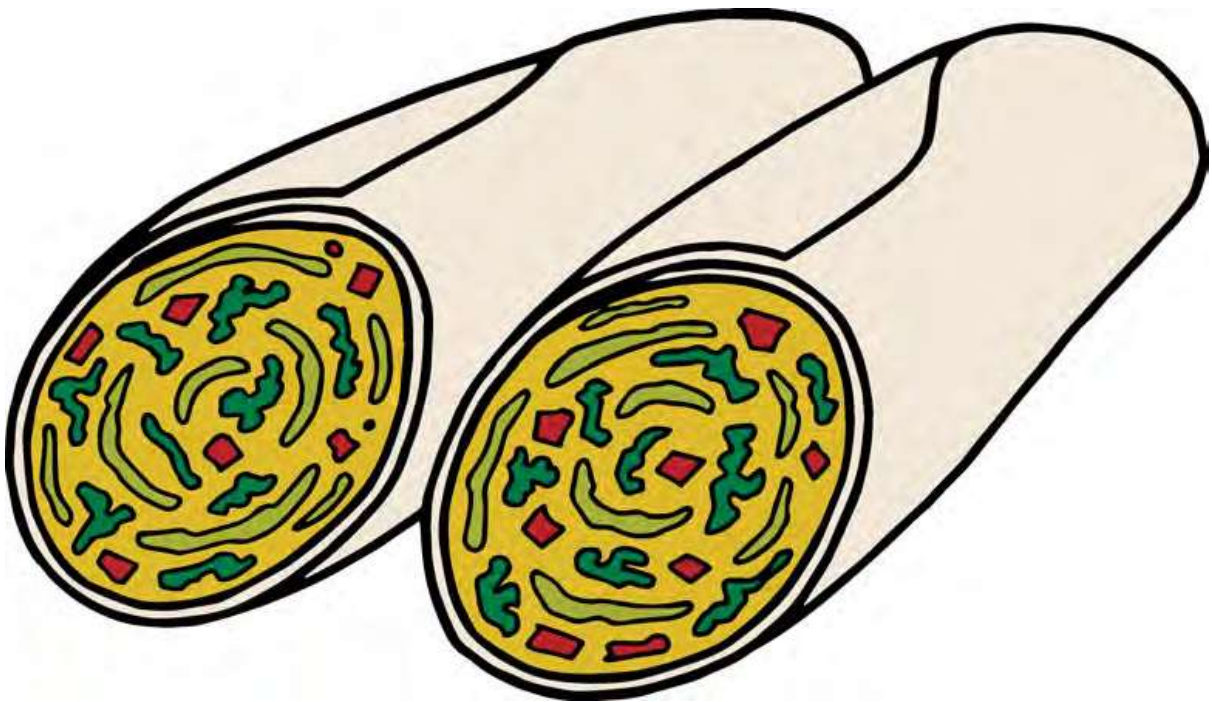
"maybe," "a little," and "it seems that." And what you cannot communicate in body language will have to be translated into respectful sen

Assume all your e-mail is read by the NSA,

tences. Never forget that, unlike face-to-face conversations, written

conversations are easily retrieved and reproduced, sometimes long

leaked to the press,
after you had forgotten about them. Assume all your e-mail is read by
the NSA, leaked to the press, analyzed by your enemies, and forwarded
analyzed by your enemies,
to your mother-in-law. In other words, write nicely.
and forwarded to your mother-in-law.



142

Wrapping Up

Among systems thinkers, it is well-known that 95 percent of the performance of an organization is the result of the whole system, not the individual people. It makes little sense to have performance

appraisals with individual employees when most of their performance is the emergent result of the interactions between clients, tools, processes, and other parts of the environment over which they usually have

little control.⁵⁴

What organizations need is a *trust-only* work environment. By purposefully creating trust, people will be more eager to find and solve any performance issues. Who cares about the performance of individual parts when those parts are directly responsible for only 5 percent of the outcome? What you should care about is how the parts interact with each other, which includes how they give and receive feedback, because the other 95 percent of the performance in the system is found in the interaction among the parts!

Last, but *definitely* not least, I feel it's necessary to emphasize again

The feedback wrap will help people focus on personal improvement that the feedback wrap can *never* replace face-to-face conversa

and systemic improvement. At the same time, the practice generates tions, nor can it be an alternative for coaching and personal develtrust through good communication, benevolent concern, aligning opment. You still need to address those in other ways. But I'm sure interests, increasing competence, and delivering on commitment. this simple little practice grows trust among coworkers; it helps This growth of a *trust-only* work environment clears the path for a people improve the performance in the system; it motivates them results-only work environment, where people can have flexible workwith good communication and feedback; and it allows you to keep ing hours, remote workplaces, and unlimited vacations, and, indeed, documented records of results, in case you ever need them. But I *maybe* some collective goals and targets.

trust you won't.

Example

To: Jason Little

From: Jurgen Appelo

Subject: Feedback on Lean Change Management, Introduction chapter

Hi Jason!

I'm reviewing your TXT file in Notepad++ while having lunch at home. I'm in a slightly annoyed mood because my music system was not delivered by the reseller this morning. Again! Hope it won't affect my appreciation for your writing. Fortunately, the sun is shining outside. :-) **Feedback:**

-

I appreciate the “rocket surgery” joke. I actually wondered if you wrote this intentionally, but I assume you did. I hope there will be more of these.
(Feeling: amused)

-

I appreciate the hotel story. It's very visual. (Feeling: interested)

-

I like the mention of “pesky humans” and putting “change resistance” in quotes. It shows you appreciate people. (Feeling: appreciation)

-

I like the mention of “nonsense.” It gives you an attitude. (Feeling: appreciation)

-

I like “the crème brûlée will come out nicely toasted”. Metaphors are great. Keep using them. (Feeling: appreciation)

-

Style issue: “to manage uncertainty better through lean startup.” I miss a qualification here. Do you mean the book? The movement?

The concept? (Feeling: puzzled)

-

I noticed a number of style issues where in my opinion the sentences don't flow well. It confirms to me the text is not yet edited for style.

(Feeling: none)

-

I noticed a number of typos, including: "the my experience," "as a being a," "none of it stuff." I stopped marking them because I think a spelling and grammar checker could do this better than I can. (Feeling: slightly annoyed)

Suggestions:

-

Always use a spell and grammar checker before sending texts to reviewers.

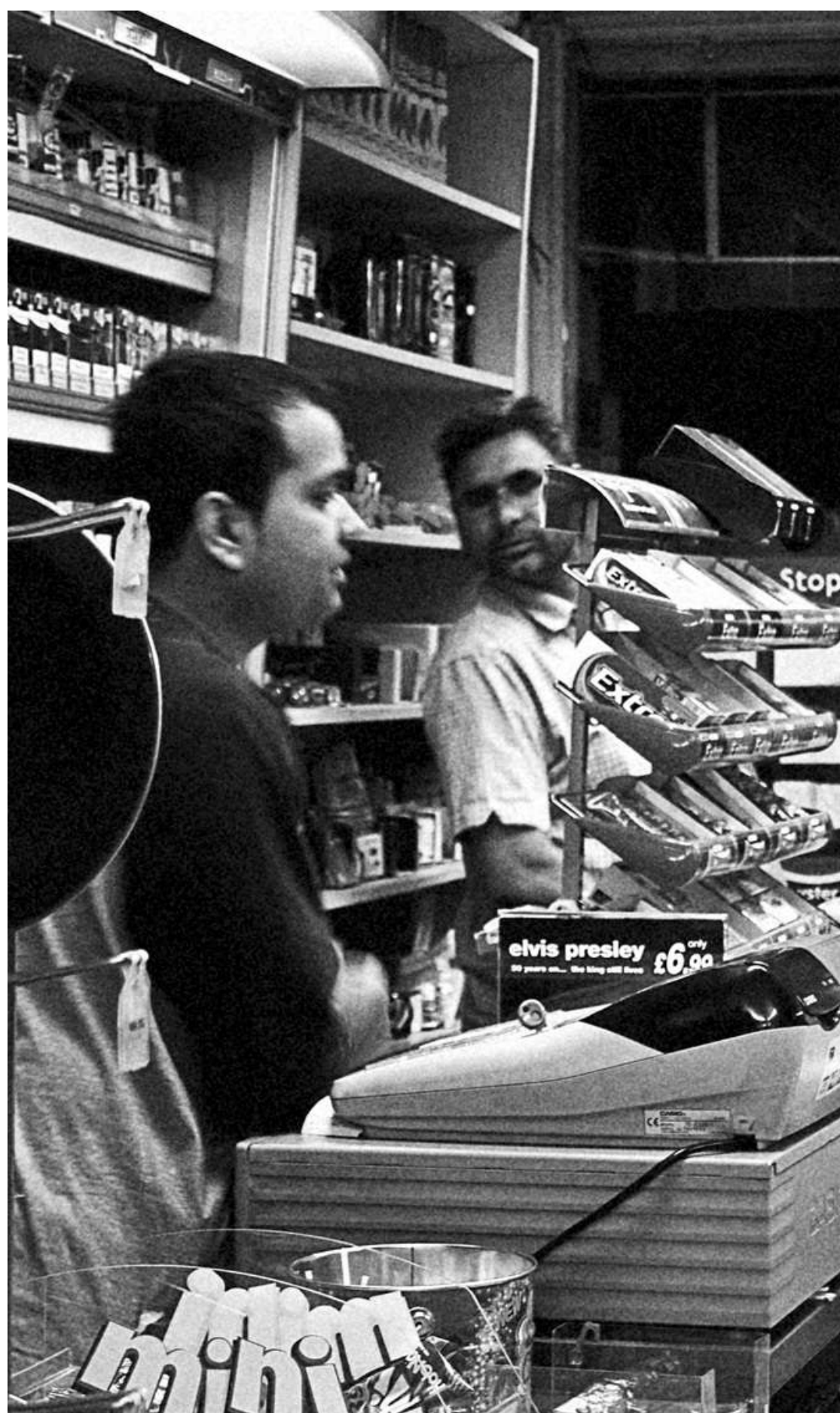
-

Also, what helps me a lot is reading a text out loud. That way you find your tongue will be struggling with sentences where your brain doesn't. And this helps you catch the style issues.

I think the text is ready for editing for style, and I will be interested to see how that will change it.

Cheers,

Jurgen



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How to Get Started

You can start developing your remote communication skills using the feedback wrap exercise right now.

1. I noticed there is always something I can give feedback on, whether it's a new software app I'm using, an article I'm reading, a text I'm reviewing for a friend, a website I'm testing for a colleague, a new hotel I'm staying in, or the delivery service of a product I just ordered. Just pay attention to the things you are involved in today, and pick one or two to give feedback on.

2. Ask people if your feedback wraps were valuable for them and if they see ways in which you could further improve them.

3. Pay attention to the people you sent your feedback to. Are they making changes to address the constructive feedback you gave them?

145

Tips and Variations

TION

CA

AV

Check out the book *Nonviolent Communication*, 55 which offers a
I use the same feedback technique
very similar approach to giving
on my children. I am now a much
I used a template of the feedback

UNLIMITED

feedback.

calmer parent! :-)

wrap for evaluation forms. People

AND

found it quite convenient to write
evaluations using the five simple

WRAPS

steps: context, observations, feel

CK

When I intend to offer someone

Feedback is best served hot. If you
ings, needs, suggestions.

constructive feedback face-to-face unable to meet with a person

FEEDBA

face, I practice the feedback wrap

face-to-face (directly or remotely),
two or three times before we meet.
it's often better to write than to
wait.

Save the feedback wrap for later,
even when you gave it face-to-face.

HAPPINESS

The documentation might come

FOR

In any situation where you're talking
in handy if the situation does not
face-to-face, step 1 (describing the

Instead of ending with a
improve.

GING

suggestion,

context) can probably be omitted.

nonviolent communication prefers

MANA

ending with a *request*: "Now that
you know the facts, my feelings,
and my needs, can I ask you to do

Try to combine the feedback wrap

**Don't forget to use the same
the following thing?"**

**with another practice, such as kudo
feedback technique to point out
cards or a happiness door.**

the great things that people did.

**For me, writing a good feedback
wrap can easily take half an hour.**

[Find more ideas at m30.me/](https://m30.me/)

Don't pad your constructive feed

But it's time well spent because

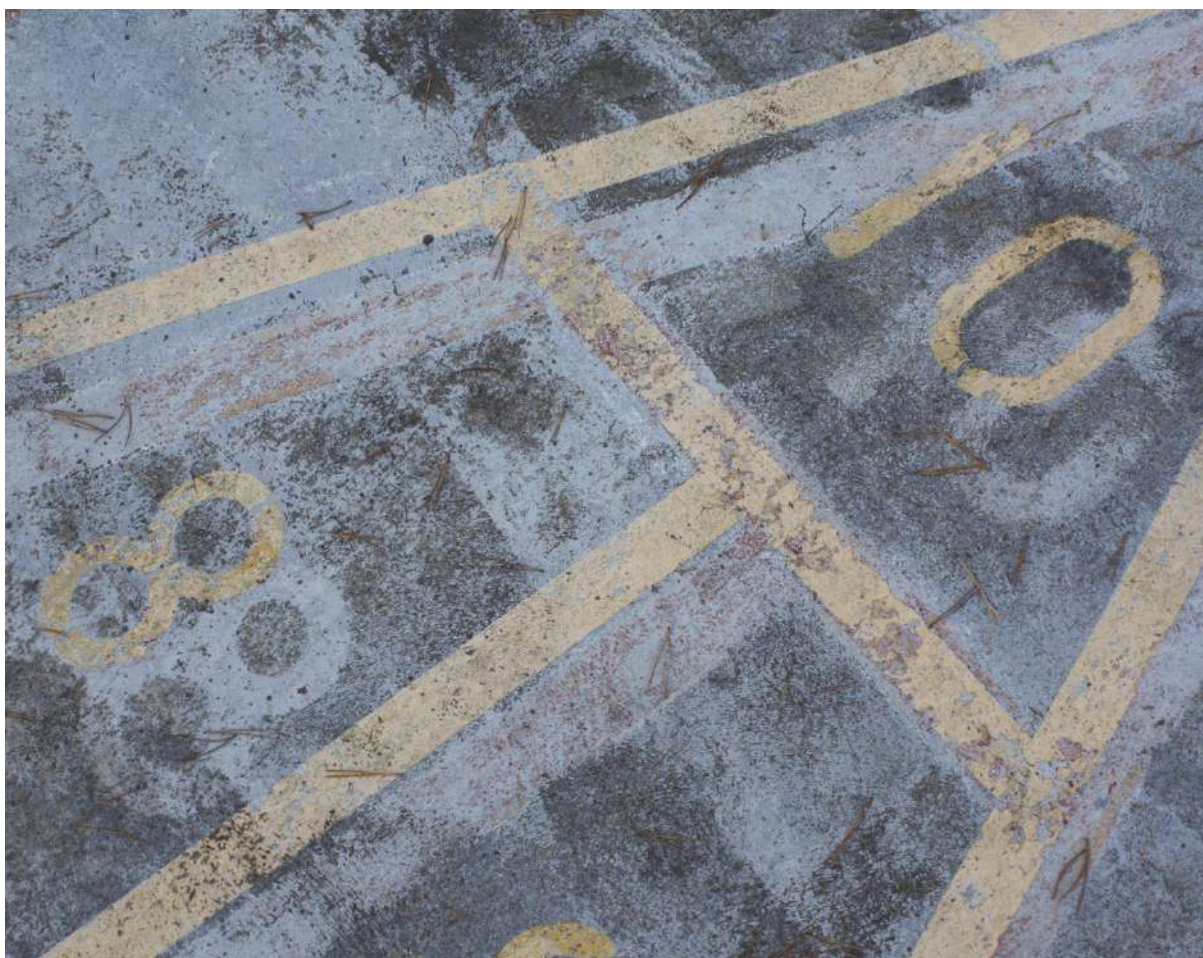
[feedback-wraps.](#)

back with fake compliments before

I get better results than with a

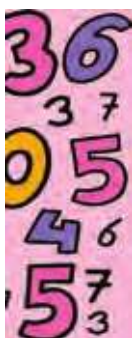
**and after. Most likely, you will only
praise sandwich.**

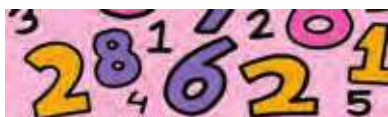
confuse people.



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<http://www.flickr.com/photos/rbowen/4136647741>





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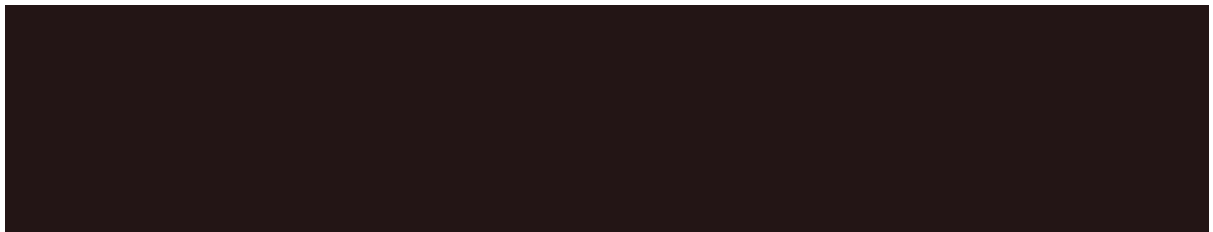
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8

metrics ecosystem

and scoreboard index

Measure Performance the Right Way

148

The way people

measure performance in

organizations is often just

plain wrong. Everyone

should learn the 12 rules

of good metrics. This

would help establish a

culture in which people see

measurement as a way to

Measure not the work

learn and improve, and

until the day's out

create an organization

and the labor done.

where all workers

Elizabeth Barrett Browning,

participate in the metrics

English poet (1806–1861)

ecosystem.

A close-up photograph of a financial spreadsheet. A blue pen is pointing to a cell containing the number 4.165.902. The spreadsheet has multiple columns and rows of numbers, some of which are bolded. The numbers are in black text on a white background. The pen is a blue ballpoint pen, and its tip is resting on the cell containing 4.165.902. The spreadsheet appears to be a financial statement or a budget, with various numbers and some bolded figures. The pen is pointing to a cell that is part of a larger table of data. The numbers are arranged in a grid-like fashion, with some cells containing multiple lines of numbers. The overall image is a close-up of a document, likely a financial report or a budget, with a pen pointing to a specific cell.

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<http://www.flickr.com/photos/franganillo/3678747186>

I had a slice of banana cake accompanied by a small latte in my favorfacilitators, revenues and profits, liquidity and solvency, book sales ite coffee bar just before I wrote this sentence. That's another 300 per month, steps I walked per day, and much, much more. Sometimes, kilocalories (or

“calories” for our friends in the United States) that I it seems as if I spend half my time looking at numbers and searching just added to my fitness tracker. I allowed myself this transgression for better ways to measure things. Maybe I should consider a meabecause we ran out of fruit juice at home, which meant I only drank sure for the number of metrics I’m working with and kick myself for water with my breakfast and my lunch. I was far below my calorie going over target!

target for the day. Well, until I saw the banana cake.

If there’s one thing I’ve learned about measurement in my pro

Besides my daily calorie intake, there are many more things I could fessional career, it’s that the set of metrics being used is always measure about myself and my work. Page views per blog post, unique changing. That’s not because I can’t seem to make up my mind visitors per month, Google rankings, Net Promoter Scores of my about good measurement. It’s because I believe a business can be workshops, evaluations of my conference sessions, subscribers to my much happier and healthier when it’s not always doing the same mailing list, stakeholders in Happy Melly, licensed Management 3.0 thing.





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Health and Happiness

Scientists seem to agree that happiness is one of the major goals in a gets managed, and what gets manhuman being's life.¹ That sounds reasonable. And if happiness is the aged gets done. It's a cliché because purpose of the mind, then I would suggest that health is the purpose it's true! I measure the number of the body. Indicators of happiness and health are necessary for us of words per book, blog posts per to investigate problems and to make decisions about how to improve. week, and chapters per month be

We measure to understand how to live a better life, both mentally and cause my purpose is to be a full-time physically. For organizations, it's no different. As managers, we want writer. Happy Melly collects stories of to know, "Do we take the blue pill, or the red one, or the colorful ones happy and healthy companies because with the letter M on them?" Such decisions require insight. And insight

its purpose is to help people have better

requires measurement.

jobs. Google has a transparent system that enables *all* employees to

define and track their own objectives.² When organizations end up in

We measure to understand how to live a the wrong place, it's often because they didn't use the correct measures to discover where they were going.³

better life, both mentally and physically. Comparing organizations with human bodies is actually not such a far different.

good idea. Except when in the vicinity of an attractive person, body

parts usually make no plans and decisions on their own. The human

body is called an *animated system*, while an organization is a *purpose*

“But measurement is hard, and numbers are boring, and the outcomes

ful system. 4 Cities are better metaphors for organizations. A city is a

are depressing, and the cow is sick, and the horse is dead. . . .” Bah, community of people, many of whom have their own ambitions. These are all bad excuses! Most people have no idea how to measure whole city is managed by a few people on everyone else’s behalf and well. They make their organization run a marathon with a thermometer usually endowed by its managers with its own purpose. It’s basier up its rear end, and then they wonder why it’s running so slowly call the same with an organization, except that the geographical (and awkwardly). In that regard, it’s no wonder that an organization boundary that defines the city is replaced with an economic and le-which measures very little and just runs around blindly usually goes gal boundary that defines the organization. But no matter whether much faster, until it runs into a tree, hopefully not with a thermometer we talk about humans, cities, or organizations, there’s one thing we enter in its mouth.

recognize among all of them. We measure things in order to make

decisions toward a purpose.

Measurement can be easy, fun, and motivating, and it’s one of the

most important activities for any organization. What gets measured

- Rule 1: Measure for a purpose



151

Proxies and the Unknown **Just as a human being needs a diversity of measures**

INDEX

to assess its health and performance, an organization

ARD

A single number indicating health does not exist. Neither does one sin
needs a diversity of measures to assess its health and

gle value for happiness, or for most other qualities, for that matter. It

SCOREBO

is often said, “Not everything that counts can be counted.” Usually, the
performance.

best we can do is work with values that are only surrogates or proxies

AND

for the real thing. As a result, our measurements are imperfect. We

Peter F. Drucker and Joseph A.

don't measure love by [tracking the number of phone calls](#).⁵ And yet, a

[Maciariello, Management 7](#)

complete lack of phone calls from a loved one should indicate at least

ECOSYSTEM

something. It is still useful information, as long as we don't jump to con

[happiness of people across countries](#).⁸

clusions by confusing the lack of phone calls with a lack of love. (I just All of these measures have their own in

METRICS

got my call two minutes ago, no kidding! My happiness increased, a tricate methods, variables, and formulas.

little bit.)

They're all imperfect, but together they

give the best possible picture we can paint of

Jumping to conclusions with incomplete information, and not underhappiness in the world at large. In organizations HAPPINESS

standing that there's a gap between what is *measurable* and what it should not be any different. It is one reason why Google lets employ

desirable, is one of the biggest problems with humans. For example, ees measure their progress toward their objectives by using multiple FOR

for many decades, governments have used gross national product [key results](#).⁹

GING

(GNP) as an indicator of the health of their economies, but this well-

known metric ignores the cost of natural resources. It only indicates Your job is to find the best possible (combination of) proxies that MANA

sales. The metric does not attribute any value to plants, animals, or get as close as possible to the thing you *really* want to know. Your human lives! When a natural disaster wipes out a number of living measurements should never lead you to ignore the unknown or give things or even an entire species, the GNP of a country usually goes *up* anyone else a false feeling of confidence. Unknowingly relying on an because of the increased labor and sales of materials. But we'd be imperfect metric could be even more dangerous than knowingly prostupid to believe that the health of the economy increased as a result ceeding without one!

of the disaster.

The most important information we need is either unknown or

The real health of an economy, like the happiness of a person, is not unknowable, [10](#) but this is no excuse for not measuring at [all.11 We](#)

measurable. But that doesn't mean measurement is a lost cause. On have a responsibility to refrain from jumping to conclusions and to the contrary, [there are plenty of things we can measure!6](#) We can at keep pushing back the boundary of the unknown.

least reduce our ignorance by using multiple imperfect metrics. For example, there are many competing indices that all claim to measure the

- Rule 2: Shrink the unknown



152

Big Data, Small Progress

We live in an age where having too little information is less often a

- Rule 3: Seek to improve

problem than having too much of it. In many businesses, people have

data covering the number of employees hired, number of training

programs implemented, number of help desk calls, number of machines repaired, number of inspections, number of audits, number of invoices processed, number of sales calls, number of clinical trials,

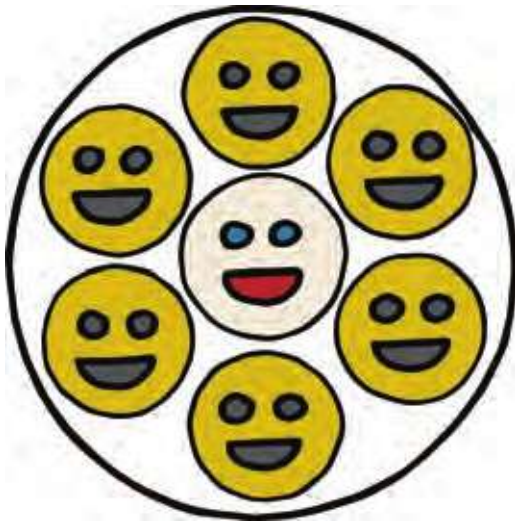
[number of patent applications, and so on.](#)¹² **Big data** is all the rage [these days.](#)¹³ [All this data can make](#) people feel good because it makes it clear that a lot is going on. “Look at us being busy!” And there are always at least *some* numbers going up.

But not all metrics are created equal. For any football (or soccer) team, the statistics reporting percentage ball possession, corner kicks, total fouls, key passes, attempted passes, or top salaries are all very nice and interesting, but the only thing that really counts is whether the [team wins!](#)¹⁴ For any organization without a clear goal, it is tempting just to report the numbers that say, “We’re going fast!” Such numbers have been called **vanity metrics** because they make businesses look [good.](#)¹⁵

I know what I’m talking about! I’ve prided myself on the large number of page views on some of my blog posts, which turned out to be completely irrelevant to my goal of writing books. I’ve been smug and

felt pleased because of the high ratings for my workshops, but my real goal was to enable *other* trainers to facilitate my courses successfully.

To become happy and healthy as an organization, a bit more is needed than just looking busy and looking good. What you need is a sense of *progress* toward your purpose or goal. What you want is for your measurements to enable you to learn and improve.



[Redacted text block containing multiple lines of blurred content]

There's no shortcut

INDEX

on Everything

ARD

to an optimized whole,

and no complex system

It's relatively easy to measure the performance of a

SCOREBO

writer. All mistakes in this book are mine. But how do

AND

will ever really be optimal.

you measure the performance of those who contribute

to a TV program? Or a software product? Or a social media

marketing campaign? For a number of decades, the interde

ECOSYSTEM

pendence of work processes has been growing. With more and more Some authors claim the only purpose that really counts is to delight people working together in teams, groups, and networks, and with an the customer, and performance optimization across all stakeholders METRICS

increased diversity of contributors, it gets harder and harder to measure [mathematically impossible](#).¹⁹ I agree with that last part. It is one of sure who contributed how much to which part of the results. Perhaps the messages of complexity science! There is no way to calculate the performance measurement of the parts in a network becomes impossible global optimum for a system in a complex environment. In fact, we'll never know where that optimum is! All complex adaptive systems measure of its management, or the doctors and nurses, the patients, seek their best performance possible by continuously repeating an

HAPPINESS

or the average standard of living in its region? Do school exams mea-

adaptive walk across an invisible fitness [landscape](#).¹⁹ It is never a FOR

sure the performance of the pupils, the school, the exam board, or all straight path. There's no shortcut to an optimized whole, and no com

GING

[three](#)?¹⁶

plex system will ever really be optimal. That's how the brain works.

That's how nature works. That's how the economy works. That's how

MANA

The only way to deal with this complexity is to acknowledge that the the Internet works.

performance of a part must be evaluated across its dependencies.

This means the efforts and results of one person should not only be It's naïve to optimize conditions for one client (the customer, the evaluated against that person's own purpose, but also against the shareholder, the employee, or any other) *assuming* what's good for needs of all of the stakeholders. Yes, workshop trainers should meaone will automatically be good for all the others. Arguing that optisure their progress according to their ambitions. But they should also mizing for all clients is "too hard" should not be an excuse. Try raising understand the needs of their students, peers, the training organiza family!

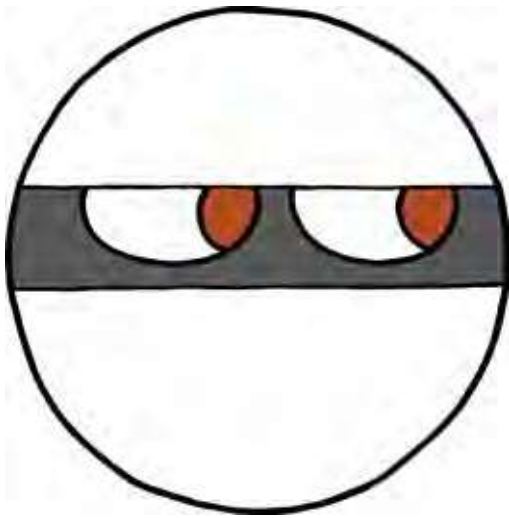
tion, courseware creator, venue owner, government, trainer's guild,

and even spouses. Those are the ones enabling the trainer to pursue

- Rule 4: Delight all stakeholders

those ambitions.

A system's performance is the product of the interactions of its parts.



154

Subjectivity and Reflexivity

I once organized a workshop for a company where I discussed a happiness index with its employees. They told me their management **The act of measurement is neither objective nor neutral. It**

measured happiness in the organization every three months through

the use of elaborate forms that had to be filled out electronically by

is subjective and, of necessity, biased. It changes both the

everyone. After a lot of work, management was able to report that

happiness in the company had dropped from 3.8 to 3.5. I asked the

event and the observer. Events in the social situation ac

employees, “How do you feel about this measurement?” Someone

from the back of the room said, “I hate it!” and some of the others

quire value by the fact that they are being singled out for

started nodding their heads. Apparently, the way management measured happiness in that organization was *destroying* people’s happi

the attention of being measured.

ness. It could be that this metric made only the managers very happy!

Peter F. Drucker, *Management* 21

An alluring aspect of measurements is that people associate them with research and science. Observation is a crucial part of the sci

This is referred to as **risk compensation**.

entific method, and it's no coincidence that business improvement A news item about an increase in book methods, such as the lean startup, kanban, scrum, and others, rely sales will further increase the sales heavily on measuring work. Measurement is considered by many to of that book. And the announcebe an inherently neutral activity that involves analysis, objectivity, ment that a number of colleagues and understanding.²⁰ Unfortunately, in a social context, these lofty are stealing office supplies might not ideals are hardly ever achieved.

be the safest approach to protecting

the remaining office supplies since,

Measuring people's productivity causes them to pay more attention according to the **broken windows** to their work, and their productivity goes up. This phenomenon is **theory**, this could lead to more stealing.

often referred to as the **Hawthorne Effect**. The introduction of a hap

In all these examples, the observer influencpiness index can make a team feel good (or bad) about management, es the system and the system influences the observer. In complexity which influences the team's happiness. The attempt to estimate the science we call this **reflexivity**. The only weapon against the **observer** size of a project causes people to add more requirements, which re

effect is common sense and a skeptical mind toward any "scientific

sults in the estimate going up. A quality test at the end of a producmethod" in a social setting.

tion line can introduce a sense of safety and subsequently more risky

behaviors and lower quality among workers.

- Rule 5: Distrust all numbers

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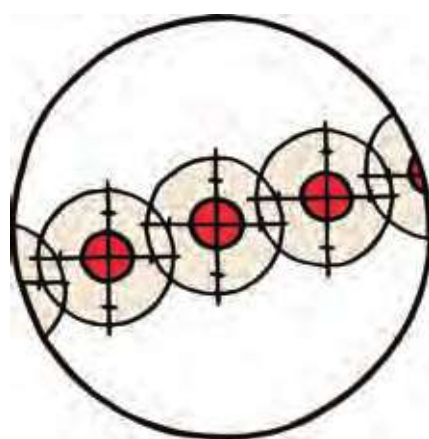
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Management by Objectives There's nothing wrong with targets,
as long as you don't bother

INDEX

ARD

While I was writing this book, I set myself a target to write two chapters anyone else with them.

ters per month. I did not always succeed, but I knew I would never

achieve my purpose if I didn't force myself to make some progress. I perverse style of

SCOREBO

MBO leads to a decrease in

also have a target for sleep (at least 7 hours), calorie intake per day people's motivation and the destruction AND

(less than 2,500 kcal), and blog posts per week (at least three). We of the organization, which is exactly the measure ourselves and give ourselves targets to help us stay on track opposite of what Drucker [intended](#).²⁵

toward the goals that we've committed to.

ECOSYSTEM

Targets are dangerous. There is no way to

Peter Drucker offered his **management by objectives (MBO)** method set a perfect target. As soon as you set a for exactly this purpose: to help managers define the purpose of their target for others, they will pursue the tar

METRICS

organization, set targets *for their own work*, and measure progress get instead of the original purpose. According toward their goal. There's nothing wrong with targets, as long as you to **Goodhart's law**, "When a measure becomes a

don't bother anyone else with them. Drucker specifically said that if target, it ceases to be a good measure." The best you can do is to keep managers continuously fail to fulfill *their own* commitments and never targets vague, and keep them to yourself. Instead of single points, HAPPINESS

reach their objectives, they should make [room for others.22](#) I agree. I work with imprecise targets, [ranges of values, or merely a direction.26](#)

FOR

should also find myself another career (or at least write *other* books) Google has solved this by asking its employees to set multiple *difficult* GING

if I continuously fail to inspire people to improve their organizations.

targets for themselves with the strong suggestion that it should *not*

be possible to achieve them all. The effect is that the targets become

MANA

Sadly, MBO has often been misunderstood and badly implemented. merely a range and a direction instead of one fixed [point.27](#)

Managers set targets for *others* and fire *others* for doing work that is

measured incorrectly in order to reach goals that are badly communi

Instead of aiming to sell exactly 100,000 copies of this book, I could

[cated.23](#) For example, call center employees are sometimes pressured aim for an imprecise six-digit sales figure. Other good enough targets into reducing the duration of their calls instead of helping solve cusfor me would be to sleep better, to burn more calories than I con

[tomers' problems.24 Managers often do this because the wrong metric](#) sume, and to write more instead of less. I know it's too hard for me (call length) is easier to obtain than the right one (happy customers), to achieve all of this, and I won't make the mistake of imposing any of and it is tempting to measure the things that are easiest to quantify. By

these targets on you.

adding targets into the mix, employees do what is counted (reducing

call length) instead of doing what counts (helping customers). This

- Rule 6: Set imprecise targets



Before you try to measure someone

else's performance, please explain

It's a pity managers in American management literature are so often

compared to sports coaches, and creative workers are then compared

how you measure your own.

to players and athletes. The metaphor simply doesn't hold when

we look at the way results are measured across these domains. The Judging people is the perfect recipe for very purpose of professional sports is to be *measured* (by computers, *measurement dysfunction*: Bad orgareferees, arbiters, or juries) in terms of number of games won, points nizational behaviors emerge as a scored, weights lifted, meters run, or seconds completed, in order to result of metrics and targets. These decide who *wins* and who *loses*. They are always **zero-sum games**— behaviors then interfere with the only one can win! In many organizations, possibly inspired by the [stated purpose of the metrics.](#)³² [This](#)

data analytics capabilities of the NBA, the NFL, and FIFA, managers are phenomenon is referred to as *Camp*

also seeking better [ways to quantify team performance.](#)²⁸ [Howe](#)ver, *bell's law*: "The more any quantitative judging creative workers based on projects completed on time, lines social indicator is used for social decision of code written, tests passed successfully, or new customers acquired making, the more subject it will be to corruption is the *last* thing you need in an organization. Creative workers play a pressures and the more apt it will be to distort and corrupt the social **non-zero-sum** game. *Everyone* can win!

[processes it is intended to monitor."](#) ³³

Professional organizations, such as Toyota, don't use measurements It is easy to see that all metrics should be owned by their users and as a way for managers to judge the performance of their workers. The should only be used [by them to judge themselves.](#)³⁴ It is crucial that metrics are available for people's self-improvement rather than for creative workers see measurement as a positive thing, as something

[managerial coercion and control.](#)²⁹ At Google it's the same; all work-

that empowers them to improve their work and their outcomes in

ers only set objectives and [key results for themselves.](#)³⁰ For organizations that truly desire to be transformational, measurement must be objectives of managers are their own objectives. The performance separated [as much as possible from judgment.](#)³¹ As long as metrics measured by managers across their scope of control is their own are abused as a tool for control, measurements will give rise to power performance. Everyone who is held accountable for something needs play, fear, and politics. To any manager who is trying to find the “best” metrics to improve their own work. The scope of accountability may performance metrics for measuring teams, I say, “Before you try to differ between managers and workers, but the conclusion is the same.

measure someone else’s performance, please explain how you mea-

[We all measure ourselves.](#)³⁵

sure your own.”

- Rule 7: Own your metrics



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Rewards and Punishments

INDEX

If your parent or teacher or manager is sitting in judg

ARD

My life as a robot was brief and depressing. I was about 12 years old, enjoying a vacation with the family in a tent at a French camping site.

ment of what you do, and if that judgment will deter

SCOREBO

The owners of the camp had invited all the kids to come to the central building dressed in self-made costumes. I had spent an hour or two

mine whether good things or bad things happen to

AND

raiding our tent and my mom's kitchen supplies, pulling a grey garbage bag over my head, cutting buttons out of wine corks—there are **you, this cannot help but warp your relationship with**

always plenty of those available in France—covering my ears in plastic

ECOSYSTEM

cup holders, and sticking a part of the tent on my head. Robocop, the

that person. You will not be working collaboratively

Terminator, and smartphone operating systems had yet to be invent

METRICS

ed. I was the ultimate android. My brother and sister happily joined in

in order to learn or grow; you will be trying to get him

the merriment with their own (much less cool) costumes, and everything was great until the organizers picked a winner. A winner? Yes, **or her to approve of what you are doing so you can get**

a winner. And it wasn't me. I was very disappointed. The robot outfit

HAPPINESS

quickly disappeared and I went back to solving my Rubik's Cube.

the goodies.

FOR

I have addressed the issue many times in my books and on my blog,

Alfie Kohn, *Punished by Rewards*³⁸

GING

and I will do it here once again: Incentives bring problems. Rewards

may briefly motivate people who win them, but they also seriously decisions will be a little worse than what MANA

demotivate those who don't. The net result is often more negative is really needed for the company.³⁹ We than positive. For every person you make "employee of the month" you refer to this as the *law of unintended* turn dozens, hundreds, or thousands of colleagues into "losers of the *consequences*, or the *law of oops-my*

month." A creative work environment should not be an Olympic game.

bonus-just-destroyed-the-company.

The danger of rewards is that they work! They motivate people to win

the rewards.³⁶ But what is rewarded (and can be measured) is never

exactly the same as the true purpose of the organization (which cannot be truly measured). Google does not use people's objectives and targets as input for promotions.³⁷ This makes perfect sense because,

when workers feel the targets and results are of the greatest importance, they lose sight of their original objectives, and each of their Rule 8: Don't connect metrics to rewards



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Gaming the System

A **pay-for-performance** environment with metrics, can I manipulate the system today?" An *opportunity*

targets, and incentives is the perfect place to

to play the game is not enough. People also need

work for people who like playing games. A

a *motive*. 41 I am convinced people are only motivated to act this way when they have no

certain outcomes is an explicit attempt

sense of purpose, no values, no integrity,

at manipulating their behaviors. We call
or no sense of community.

that gaming. Management is playing a
management game with the workers

Shared values and transparency can
using rules and numbers. But the actual
reduce the desire to game the system.

game is different from what the manag

Everyone should be aware of each others expect. A system designed
explicitly

er's integrity and good intentions. That

to manipulate people's behaviors is an
means everyone has a right to know all

open invitation to everyone involved

the numbers, all the rules, all the metto use that same system for their own
rics, and all purposes. At Google, emadvantage. The actual game being
played

ployees add their objectives and targets

is the game the workers decide to play with

into the employee directory, and everyone

that system. If it's OK for management to macan see each other's results,
including those

nipulate workers with a pay-for-performance

of the top managers.⁴² It makes sense because

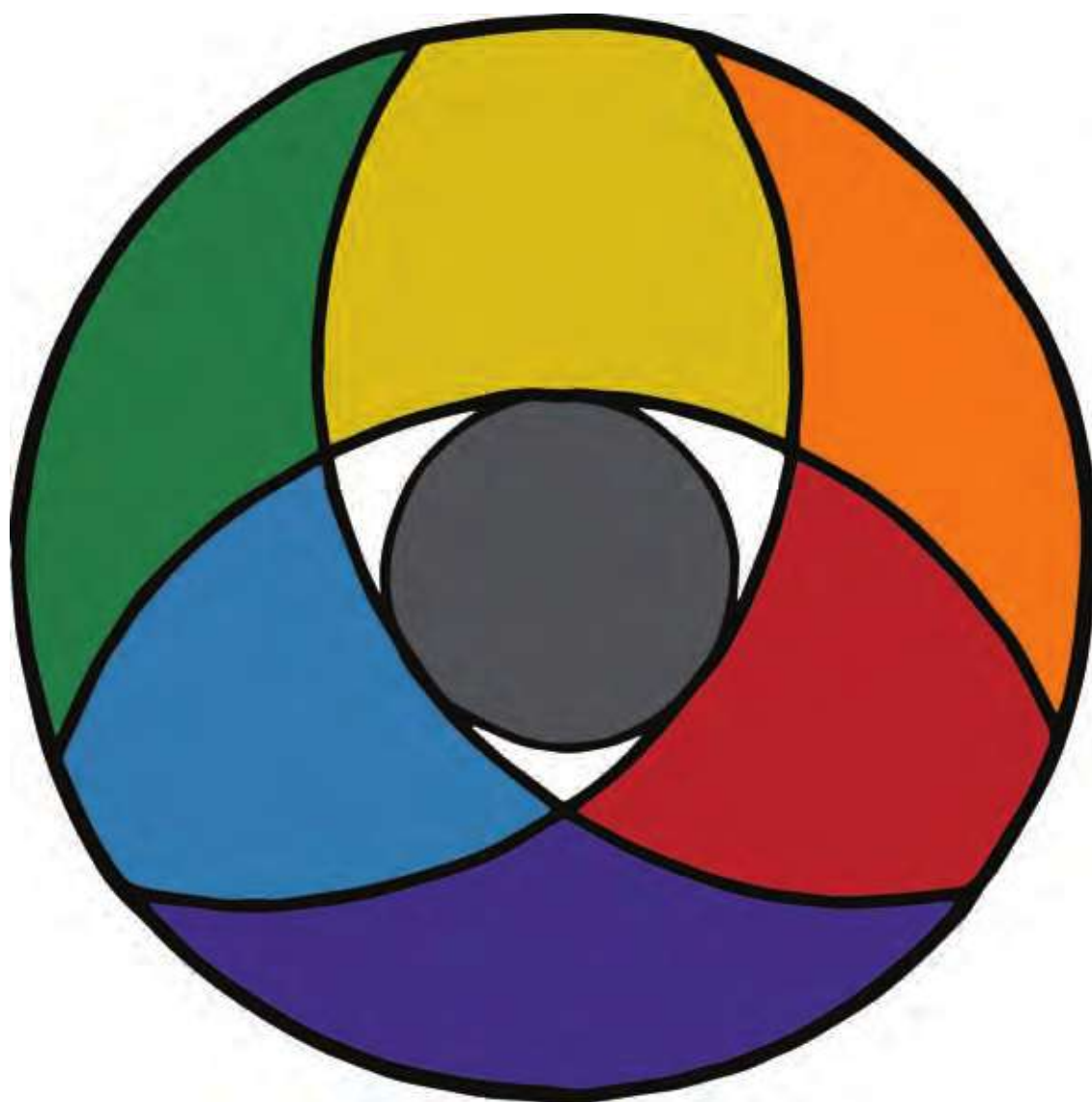
system, it is also OK for workers to use that same Google has a grand purpose to organize the system to manipulate management. Game theory and world's information and make it accessible and useful complexity theory can predict who will win that game.⁴⁰ for everyone.

I've heard of people scheduling e-mails to be sent late at night so that Instead of playing dirty games with metrics, targets, and incentives, we they get rewarded for "working late." I've heard of people repeatedly should aim for everyone to be internally motivated, and with transpartapping the spacebar on their keyboards during lunch time, because ent values and measures, people will have enough self-assessment they got paid for "number of keystrokes." I've heard of people travelinformation to improve their work while playing nicely.

ing to work twice per day, once to "clock in" and once to "clock out," so that the computer registered "8 hours of work." But why should any

- Rule 9: Promote values and transparency

creative worker do this? How many of us go to work in the morning, looking forward to our daily targets and incentives, wondering, "How



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INDEX

Dehumanization

ARD

Measurements are even more helpful

I admit I love numbers, but sometimes, they can be a bit . . . lifeless.

SCOREBO

Many managers get their information in the form of figures, which

when you can see, quite literally,

cannot carry any emotional weight. With numbers, someone's hard

AND

work becomes merely a statistic. Blood, sweat, and tears are trans-

what is happening behind the data.

formed into spreadsheets. Personal passions and tragedies become

mundane graphs and tables. Metrics allow us to morph joy and pain

ECOSYSTEM

into squares and digits, with the help of pivot tables and chart wizards,

at the mere touch of a button. The essence of work gets lost with mea-

METRICS

asures. Instead of looking at what is really happening with the employ-

ees, management looks at what's happening with the figures.

For every healthy organization, it is imperative that management

HAPPINESS

includes "people management," "floor management," and "visual management." Space in work areas could be set aside for daily meetings,

FOR

charts, graphs, boards, and color-coded information. When the infra-

GING

structure allows it and the people are collocated, the information is

[placed as close as possible to the people and their work.](#)⁴³ Improving

MANA

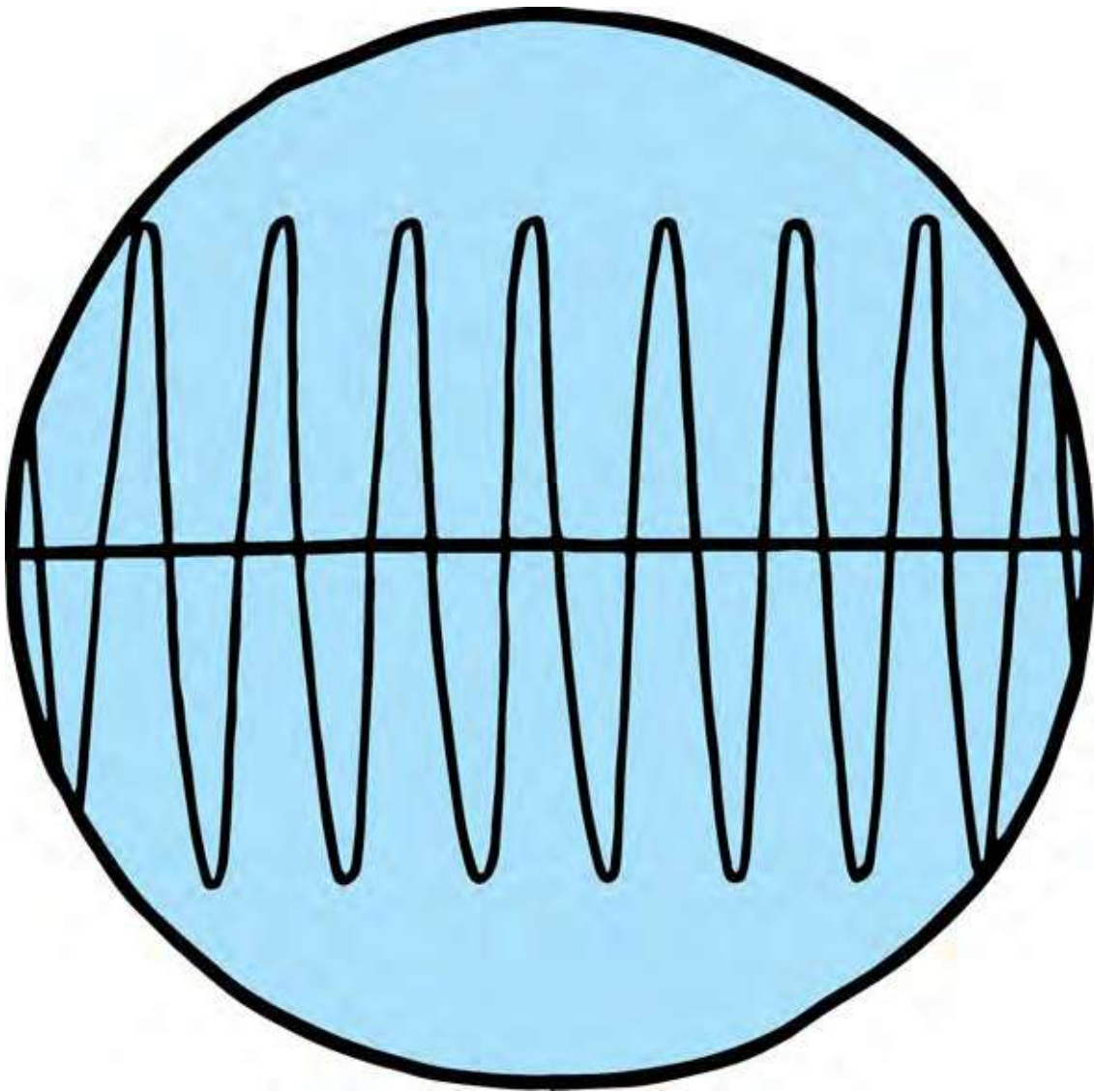
the organization with metrics is good, important even, but measure-

ments are even more helpful when you can see, quite literally, what is happening behind the data.

And numbers are often not even needed. Sketches, scribbles, and colors can convey more meaning than digits. People's faces on magnetic buttons have more visual impact than names on sticky notes.

It is precisely for these reasons that nicely designed infographics on the Internet have become a very popular alternative to boring tables and graphs. And have you ever wondered why you like business books much more when they have lots of colorful illustrations in them?

- Rule 10: Visualize and humanize



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Too Little, Too Late

How often should you have a cardio test? How often do you check your watch when trying to catch a flight? How often should you have the tires of your car checked? How often do you check if your spouse is still happy? There is only one good answer to these questions: “Often enough to ensure problems don’t grow too big and risky, and probably more often than you’re doing now.” Don’t delay measurements until symptoms of problems are popping up. If you don’t have regular

checkups, your diagnostics and interventions might be too late.

Agile and lean communities around the world have learned that it

makes sense to measure things more often. Customer needs are

evaluated not only at the start of a project; they are discussed every

week. Progress on a project is reported not once per month but every day.

Quality tests on products are not performed once per year or quarterly; they are done continuously. And the happiness of employees

is certainly not measured only once every three months; it should be

monitored all the time.

Measuring well usually means measuring more often than you're doing now.

It also means finding leading indicators that precede lagging indicators. A great chef doesn't need to sample the food every second

(a leading indicator), but he certainly needs to do this *before* serving

the outcome to the guests and waiting for their feedback (a lagging

[indicator](#))!⁴⁴

useful quotes I read in nonfiction books. I check *cash flow*, *profits*, *debtors*, and *creditors* on a monthly basis; I do the same with *book sales* and In my experience, this means setting up reminders and triggers for *blog statistics*.

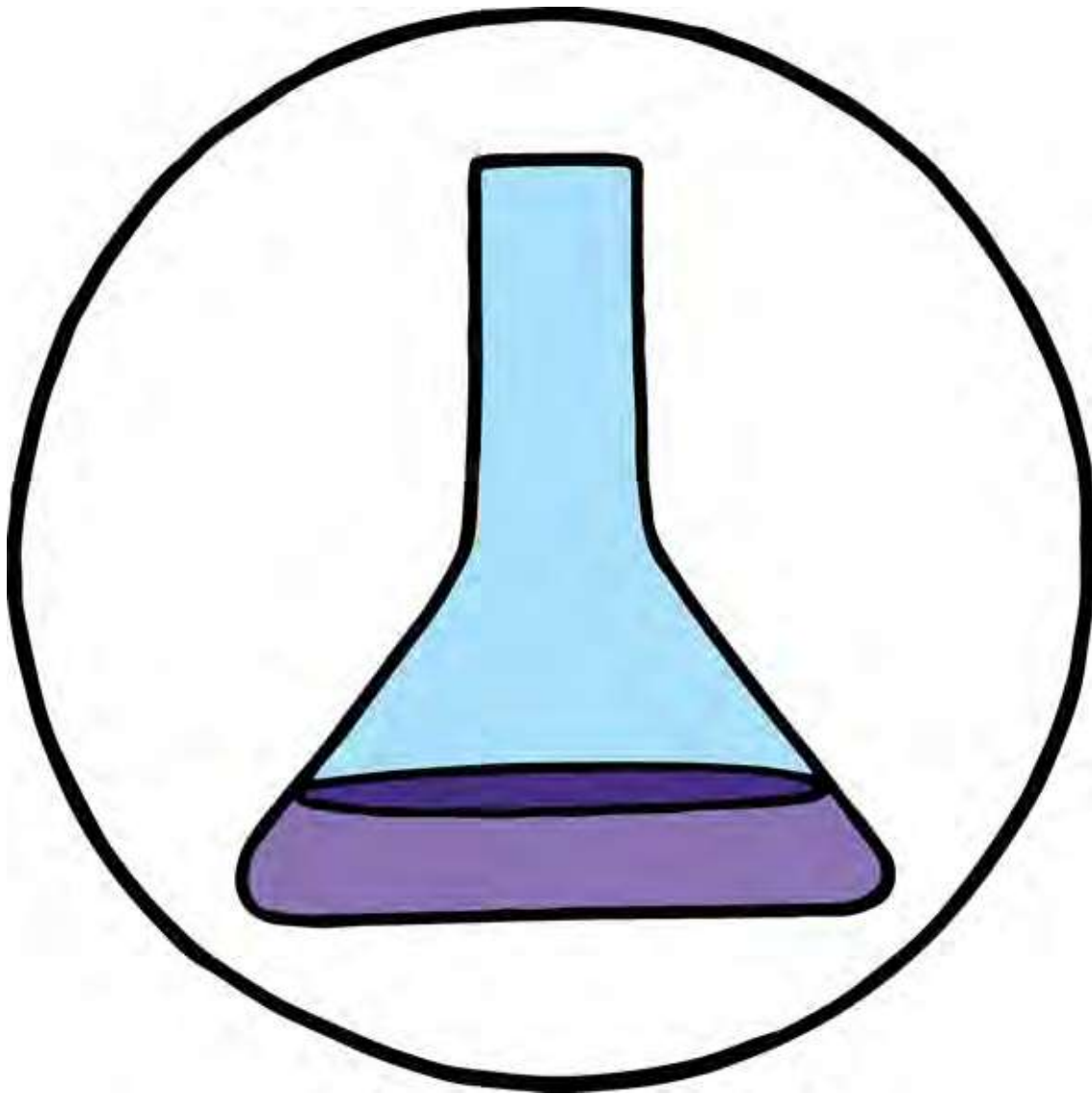
Each completed book chapter is, for me, a trigger to myself because, if I don't, I will forget to measure. Without checklists, count the *number of words*, and each business trip with my car is a trigger, and notifications, I will only do what's urgent, not what is important to make a note of its *mileage*.

Oh, and I also have a daily reminder important. That's why I have recurring tasks that remind me to check to check if someone should get a *kudo card* or *thank-you note*.

total and average problem time on the Happy Melly task board, *number*

of licensed workshops per month for the Management 3.0 brand, and

- Rule 11: Measure early and often



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Stagnation and Complacency

INDEX

ARD

So far, we have covered 11 challenges and rules for metrics, which is rather annoying because I don't like the number 11. I set myself a

SCOREBO

target of coming up with 12. Eleven is dumb, 12 is good. It's probably

a leftover religious streak in me. Fortunately, I am happy to report that

AND

there's one other issue we haven't covered yet with our investigation

of measurements. We haven't covered the problem of stagnation.

ECOSYSTEM

Many managers are on a never-ending quest to find the "best metrics" for their organizations. They don't seem to realize that measure

METRICS

ment is part of the work we do. Measurement *is* work. Considering

that the environment always changes, and our work always changes

with it, why shouldn't the same thing be true for our metrics? They

need to change as our business changes. It is useful to see them as

HAPPINESS

tools for *diagnostics*. We measure to understand things *before* and

after our analysis of symptoms and our attempts at improvement.

FOR

We can do that a number of times, until the metric isn't helpful any

GING

more, and then it's time to use something else. There is no holy grail

of measurement.

MANA

Nobody should hesitate to try out new measures and experiment with

[different metrics](#).⁴⁵ People, teams, and organizations will adapt and get used

to their own measurements. That's when stagnation and atrophy have a chance to creep in. It's good to try something else after a while. Replacing your metrics not only helps you cover other perspectives and uncover different unknowns, but it also keeps you from being lulled into a false sense of complacency. And for every complex adaptive system that prefers to stay happy and healthy, a regular change in stimuli is a good thing.

- Rule 12: Try something else

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Rules for Measurement

Yay, we did it! We found ourselves 12 rules for good measurement.

Let's review them before turning what we've learned into a concrete management practice.

Rule 1: Measure for a purpose

Rule 7: Own your metrics

You must always understand why you are measuring. The metric is not Everyone is responsible for their own work, and metrics help us ima goal in itself. Never forget that it's just a means to an end. It all starts prove that work. Therefore, everyone should be responsible for their with *why*.

own metrics.

Rule 2: Shrink the unknown

Rule 8: Don't connect metrics to rewards

A metric is just a surrogate for what you *really* want to know. Don't jump Rewards often kill intrinsic motivation and lead to dysfunctional to conclusions. Always try to reduce the size of what is still unknown.

behaviors in organizations. Don't incentivize people to do work they should *like* doing.

Rule 3: Seek to improve

Don't only measure things that will make you look good. There is Rule 9: Promote values and transparency plenty of data around, but you must focus on what enables you to do Human beings are smart and able to game any system. To prevent better work.

gaming, be transparent about values, intentions, and the metrics everyone is using.

Rule 4: Delight all stakeholders

Your work depends on others, and others depend on you. Never Rule 10: Visualize and humanize optimize for just one stakeholder. Instead, measure your work from Numbers tend to dehumanize everything. Replace digits with colors multiple perspectives.

and pictures, and keep the measurements close to where the actual work is done.

Rule 5: Distrust all numbers

Observers usually influence their own metrics, and they suffer from all Rule 11: Measure early and often kinds of biases. Have a healthy, skeptical attitude toward any reported

Most people don't measure often enough. Measure sooner and faster numbers.

to prevent risks and problems from growing too big for you to handle.

Rule 6: Set imprecise targets

Rule 12: Try something else

When people have targets, they have an inclination to focus on the It's rarely a good idea to do the same things over and over. The envitargets instead of the real purpose. Avoid this tendency by keeping ronment changes all the

time. The same should apply to how and what your targets vague.
you measure.

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Integration and Scaling

INDEX

ARD

Now we arrive at the gates of a huge problem that business consulbad thing is that descriptions of balanced scorecards have relied on tants and management experts have been struggling with for de-the metaphor of a pilot looking at the dashboard of a cockpit in an

caedes, if not centuries. How does it all come together? How do *your* airplane; in other words, a manager is oper[ating a machine](#).

SCOREBO

[47](#)

metrics connect with *mine*? How do we choose metrics as a *team*?

AND

And how do we make sure the metrics of multiple teams integrate nicely into a shiny *framework* for the whole organization?

ECOSYSTEM

At this point, it's crucial to remember that organizations are complex,

There is no right mix of metrics

adaptive systems, like cities and communities. The parts have their own purposes, identities, values, and ambitions, and at the same that will result in an optimization

METRICS

time, they contribute to the whole system, which also has its own purpose and identity, just like the system next door. And together, of the whole, so don't even try.

with a few other systems, they form an even bigger whole at the next higher level. And so on, and so on. Everything is interdependent,

HAPPINESS

both horizontally and vertically.

FOR

This metaphor would only be correct if the parts of the airplane

GING

Scaling of metrics fails because people don't understand complexity. all had minds of their own, and were in a position to control what The integration of

metrics is a lost cause when people treat the organization information to feed back to the pilot and what to hold back. The air

MANA

nization like a machine. The whole system is not improved when we plane parts would also need to be able to quit their job and merge simply replace or improve all the individual parts. On the other hand, with another airplane, all in midflight. The wings would report that we also cannot just instruct everyone to “improve the whole” instead they were “right on schedule” while trying to make the performance of the parts because there are wholes on many different levels. As a of the jet engines look bad. The engines would be on nonspeaking result, nobody will agree on what exactly “the whole” is. These are terms with the wheels, and the tail would secretly be planning to two different problems, and I should clarify them separately.

split off and start its own skydiving business. Instead of having a

dashboard full of objective measurements, the pilot would be look

We find an example of the first problem (optimizing the parts) in the ing at a series of green lights while flying straight into a mountain.

common use of the famous **balanced scorecard**.⁴⁶ The good thing Obviously, the machine metaphor for metrics is flawed in a social about balanced scorecards is they require managers to analyze context. (Sadly, the pilot metaphor sells extremely well to tradi-performance from different perspectives with multiple metrics. The tional managers.)



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<http://www.flickr.com/photos/ramsd/5445918407>

Examples of the second problem (optimizing the whole) often result in organizations being purposeful systems. The parts have their own purpose, and the whole has its purpose. This pattern repeats itself in a trying to survive and thrive as a whole. Checking a person's heart rate, blood pressure, MRI scans, and stool samples can be useful for and communities, which are part of (often multiple) departments, which investigate symptoms and find problems, and all of this *could* be part of (or defined across) business units, which are part of companies help a person become healthy and happy. But the comparison of organizations, which are part of cities and industries, which are part of countries.

Organizations with organisms would only be complete if the heart

could decide to become a third foot, the left lung had the ambition. There are purposes and metrics *everywhere*, and they are all content to take over from the brain, the two eyes were not motivated to flicking, coordinating, colliding, and cooperating with each other in synchronize work with each other, and the sexual organs insisted on a never-ending game of competition *and* collaboration. This is not a working remotely. Optimizing the whole is a great idea, and doctors' failure of integration. It is a feature of all complex, adaptive systems: can obviously contribute to the health and happiness of a whole part.

They evolve and transform as networks of interdependent parts.

tient, but in the fuzzy multileveled context of an organization, similar

Think of a biosphere. Think of the Internet. Think of the gene pool.

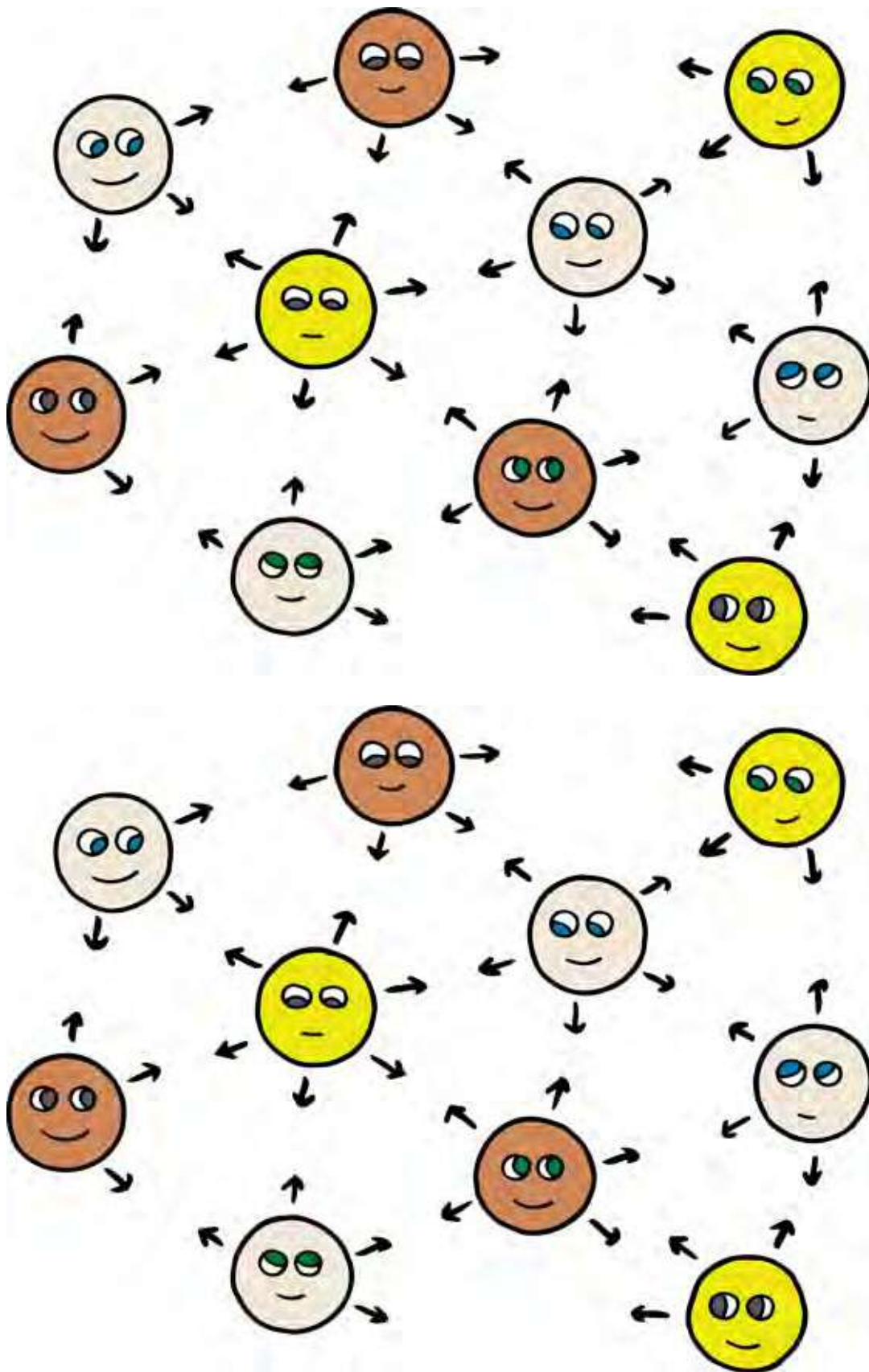
Simply giving everyone the instruction to "optimize the whole" is naïve. Treating a business like a machine, and optimizing the parts, is a big mistake. There is no right mix of metrics that will result in an optimization of mistake because machines don't evolve by themselves—yet. Treating the whole, so don't even [try.48](#)

a business like one organism and attempting to optimize the whole is

also a mistake, because one organism usually cannot transform itself.

You must treat your organization like a community. The community

may have its purpose and metrics, but so do all its members.



INDEX

ARD

and Frameworks

SCOREBO

The *last* thing we need in a networked, self-organizing, complex sys

The solution is for all individuals in the organization to have their own

tem is a “comprehensive hierarchical organization of measures that fit metrics. All workers are given the responsibility to measure whatever AND

[together according to a logical structure.](#) 49 What is *logical* is science, is important to them within their own scope of control and given their and science suggests that things should grow and evolve bottom-up. own purpose (Rule 1). Empowering all workers to create their own So let’s ignore any suggestions for top-down, intelligently designed information will motivate them to improve their metrics (Rule 2) and ECOSYSTEM

measurement frameworks.

improve their work (Rule 3). At the same time, they should measure

their work on behalf of their direct clients, covering all interdepen

METRICS

We need a philosophy of metrics that can help organizations evolve dencies and their scope of concern (Rule 4). Being responsible for and transform. Individual metrics between parts and between levels their own metrics should mean people will be more mindful of how can be both competing and collaborating. They can be in conflict and they and their clients are influencing the measurements (Rule 5).

they can be in harmony. There is no way to create a comprehensive Maybe some people will even want to set some targets (Rule 6), but HAPPINESS

hierarchy of metrics, so we won’t even go there.

neither the metrics nor the targets are created for anyone else but

themselves (Rule 7). This also means there are no incentives (Rule 8);

FOR

and because it is all transparent, everyone can observe each other's

GING

intentions and metrics and respond to them (Rule 9). This will help to

prevent dehumanization (Rule 10). Finally, when people have full con

MANA

trol over their own metrics, it is easier for them to measure as often

as they feel is needed (Rule 11) and to change the metrics whenever

they feel like it (Rule 12). In other words, what you need to grow is a

metrics ecosystem.

Because all metrics are different, with different frequencies of updates and different styles of visualization, it makes little sense for each person to create a scorecard or dashboard of metrics. Why

should I put *calories per day* on the same dashboard as *profits per*

month? As long as all information is easily available, I don't see the

point of designing a framework.

		unhappy	happy
		low bound	high bound
customer engagement	(objective)		
ratio active customers	(metric)	0%	100%
profiles up-to-date	(metric)	0%	100%
scheduled events	(metric)	0.0	2.0
network growth	(objective)		
total users	(metric)	75	250
acquisition ratio	(metric)	0%	10%
practitioner growth	(objective)		
practitioner stories	(metric)	0	100
practitioner certificates	(metric)	0	10

	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec
	15-Nov	22-Nov	29-Nov	6-Dec	13-Dec	20-Dec
customer engagement						
ratio active customers	47%	47%	48%	47%	47%	48%
profiles up-to-date	47%	46%	46%	47%	47%	49%
scheduled events	0.84	0.81	0.82	0.73	0.75	0.82
network growth						
total users	133	135	136	139	144	146
acquisition ratio	3.8%	3.7%	3.7%	9.4%	9.0%	8.9%
practitioner growth						
practitioner stories	22	27	28	29	34	35
practitioner certificates	0	0	1	1	2	2

		unhappy	happy
customer engagement	(objective)	low bound	high bound
ratio active customers	(metric)	0%	100%
profiles up-to-date	(metric)	0%	100%
scheduled events	(metric)	0.0	2.0
network growth	(objective)		
total users	(metric)	75	250
acquisition ratio	(metric)	0%	10%
practitioner growth	(objective)		
practitioner stories	(metric)	0	100
practitioner certificates	(metric)	0	10

	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec
	15-Nov	22-Nov	29-Nov	6-Dec	13-Dec	20-Dec
customer engagement						
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practitioner growth						
practitioner stories	22	27	28	29	34	35
practitioner certificates	0	0	1	1	2	2

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The Scoreboard Index

One of the most difficult things for managers challenge from different angles.
Never rely

is coming up with good metrics that are an on just one metric!

indication of the performance of the business. After all, that's what **key performance** Third, for each individual metric, define **indicators** are supposed to be, right? But if no a lower bound and an upper bound: the

measure is perfect, what can you do?

number at which you would feel quite

unhappy and the number at which you

It's actually not that difficult. The problem would feel very happy.

For example, The next thing to do is to collect measurehas been adequately solved in several other I would feel unhappy when this book sells ments on a weekly basis.

Of course,

contexts. For example, what is the most comfewer than 10,000 copies. I would be ecyou may want to monitor some things daily, monly used key performance indicator of any static when it sells 100,000 copies or more. and maybe some data is only available once market? Easy! It is the stock market index: a Obviously, these lower and upper bounds per month. But I find that a weekly moment weighted average or total of many individual are subjective choices. But that's fine. What of reflection is (for me) just the right cadence stock prices. Within the context of your busiyou need is a range against which to evalufor the (re)prioritization of my work.

ness, you can do the same.

ate your performance as a worker, a team,

or a business. And that self-evaluation is Once you have all measurements, you can

First, start with some qualitative objectives, always subjective.

use the lower bounds and upper bounds

such as "more engagement among customers" and "more activity on the website." Some

people may want to focus on only a few objectives at any moment. Others will prefer to

list all stakeholders and their needs so that

nobody is neglected. For this practice, the

difference doesn't matter.

Second, define a few quantitative metrics

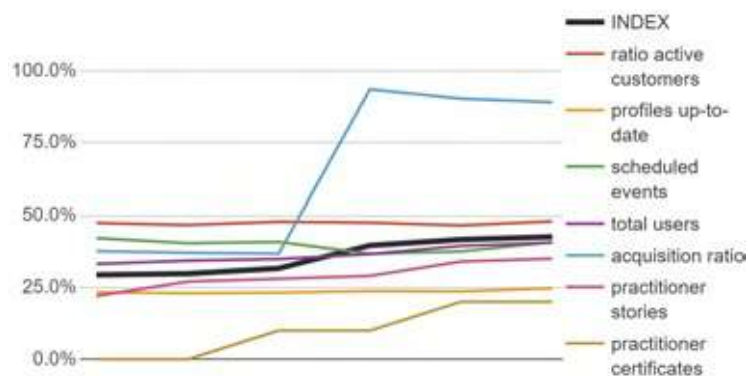
per objective (or stakeholder), such as

“page views per week” or “blog comments

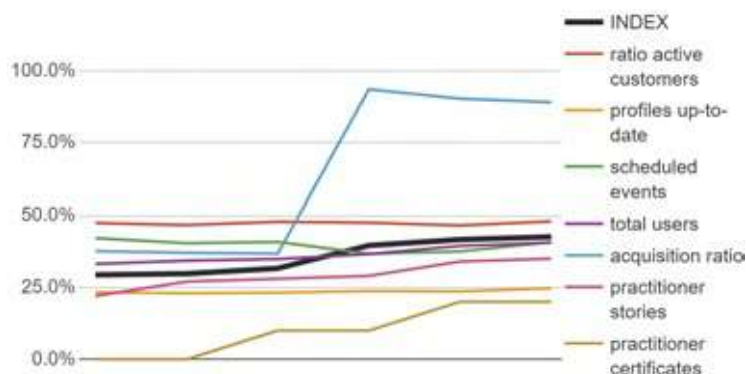
per week.” Each objective and stakeholder

should be represented with multiple measures because it's always good to look at a

	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec
	15-Nov	22-Nov	29-Nov	6-Dec	13-Dec	20-Dec
INDEX	29.4%	29.8%	31.6%	39.6%	41.6%	42.6%
customer engagement						
ratio active customers	47.4%	46.7%	47.8%	47.5%	46.5%	47.9%
profiles up-to-date	23.3%	23.0%	23.2%	23.7%	23.6%	24.7%
scheduled events	42.1%	40.4%	40.8%	36.7%	37.5%	40.8%
network growth						
total users	33.1%	34.3%	34.9%	36.6%	39.4%	40.6%
acquisition ratio	37.6%	37.0%	36.8%	93.5%	90.3%	89.0%
practitioner growth						
practitioner stories	22.0%	27.0%	28.0%	29.0%	34.0%	35.0%
practitioner certificates	0.0%	0.0%	10.0%	10.0%	20.0%	20.0%



	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec
	15-Nov	22-Nov	29-Nov	6-Dec	13-Dec	20-Dec
INDEX	29.4%	29.8%	31.6%	39.6%	41.6%	42.6%
customer engagement						
ratio active customers	47.4%	46.7%	47.8%	47.5%	46.5%	47.9%
profiles up-to-date	23.3%	23.0%	23.2%	23.7%	23.6%	24.7%
scheduled events	42.1%	40.4%	40.8%	36.7%	37.5%	40.8%
network growth						
total users	33.1%	34.3%	34.9%	36.6%	39.4%	40.6%
acquisition ratio	37.6%	37.0%	36.8%	93.5%	90.3%	89.0%
practitioner growth						
practitioner stories	22.0%	27.0%	28.0%	29.0%	34.0%	35.0%
practitioner certificates	0.0%	0.0%	10.0%	10.0%	20.0%	20.0%



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mentioned earlier to express every measure regular basis; find a way to normalize and ment as a point between 0 and 100.

weigh them; and then calculate the average.

INDEX

For example, when I find that we sold 25,000 This is what I call a **scoreboard index**. You copies of the book, my score on this metric evaluate your performance with scores de

ARD

will be 27.8 percent. (The number sits at 27.8 picted on a board and turned into an index.

percent between 10,000 and 100,000.)

It enables weekly prioritization of work; it

SCOREBO

is neutral toward specific measures; and it's

Last, but not least, calculate a weekly index of easy to comprehend the visualization.

AND

the metrics. Having converted all measures regard to the individual component metrics.

ments to points between 0 and 100, it is easy One benefit of this indexed approach to (Granted, you need someone with a knack for to take the average and call it your weekly performance measurement is that it's much numbers to transform different types of mea

ECOSYSTEM

performance index. Even better, you can plot easier to replace metrics without fear of surements to similar scales. But that's easily the results of individual measures with colordiscontinuity of the main measure. In all delegated to someone's Friday afternoon.) METRICS

ful lines in a graph, with the index shown as stock market indices, individual stocks are

one thick black line.

It is almost like replaced quite regularly. Nobody cares about No metric is perfect. The danger with india stock market, with one index (hopefully) that. What people care about is the index: vidual key performance indicators is that showing a positive trend across the entire Does it go up or down?

people easily become fixated on optimizing

HAPPINESS

system.

just one or two of them, particularly when

One index created out of many metrics, acting they are financially incentivized to do so. This FOR

Summarizing, start with a scoreboard of as a proxy for total performance,

offers the endangers the performance of the business GING

metrics, across all objectives or stakeholdbest of both worlds: Workers get *one* thing in other dimensions. But by measuring perers, that are not too difficult to obtain on a to optimize while they can stay flexible with formance using a scoreboard and calculating MANA

and communicating an index, gaming the system gets a lot more difficult.

I found that the scoreboard index satisfies

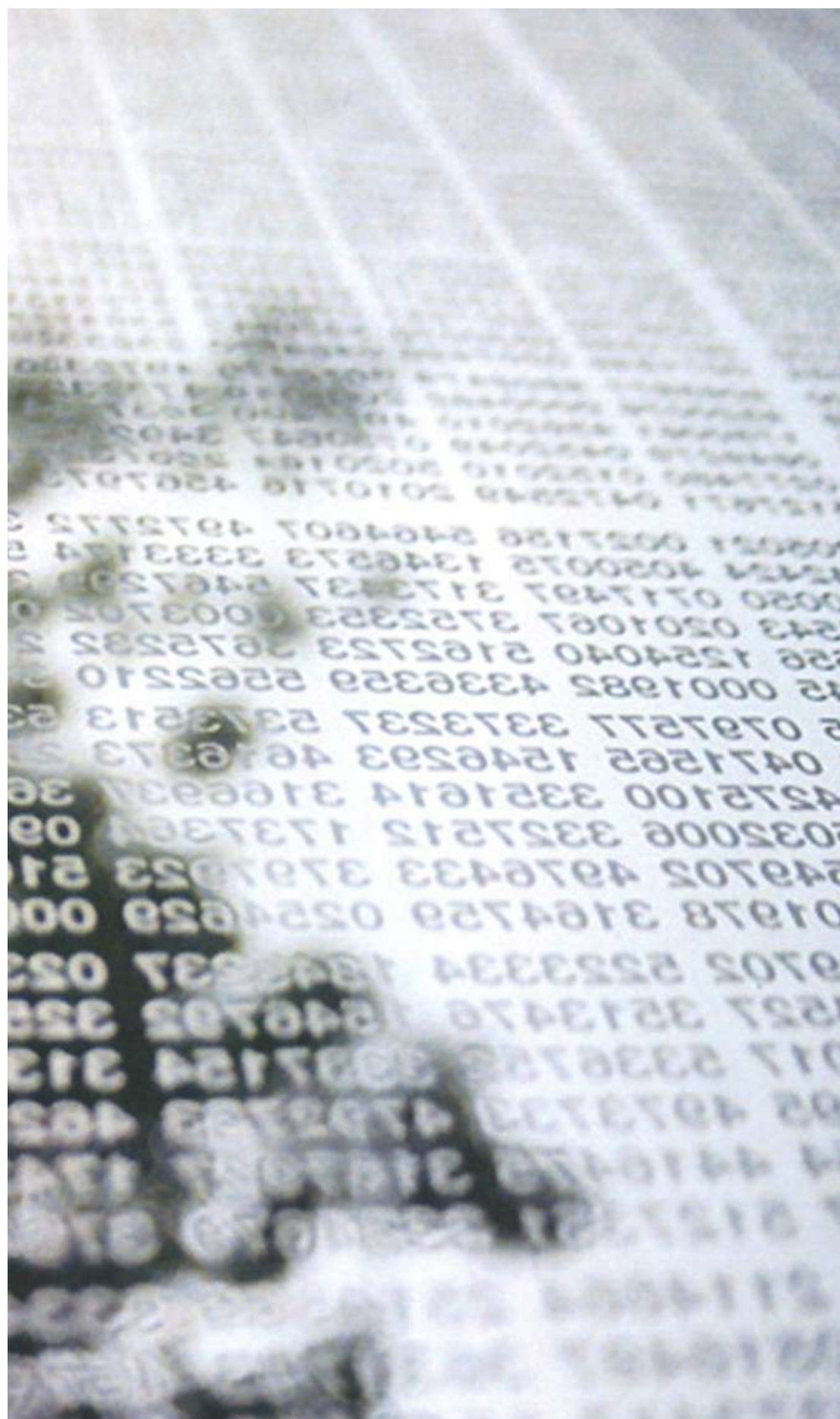
at least seven of the 12 principles for good

metrics. (Can you tell which ones?) No practice is perfect, and I'm sure there are ways to

either improve this one or to augment it with

other complementary good practices. At the

very least, the scoreboard index is an *indicator* that reflects *performance*, and it could be a key practice for your business, too.



How to Get Started

Anyone who has ever performed fitness exercises knows that *measuring yourself* is a crucial part of all workout programs. In organizations, it's no different. Start measuring the right way and then lead by example.

1. Learn about my scoreboard index or Google's objectives and key results (OKR) system for performance measurements and start experimenting with a similar system yourself.⁵⁰
2. Evaluate the things you measure regularly and see if they help you learn to improve toward your purpose.
3. List all your stakeholders (which includes the teams and groups you belong to) and check if you measure your performance for each of their perspectives.
4. Visualize your metrics in a way that makes them interesting, and keep them close to where the work actually happens.
5. Be transparent about your metrics. Show them to others and ask the same courtesy from them. Discuss it all together, and feel free to collaborate and compete on measures.
6. Now scale this to the whole organization, where everyone maintains responsibility for their own measurements.

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Tips and Variations

INDEX

ARD

**The scoreboard index is similar
to OKRs, a practice popularized**

SCOREBO

by Google. You can easily make a

Those with a knack for numbers

**You should make the results visu
mashup of the two practices.**

**may prefer more realistic exponen
ally interesting and abundantly**

AND

**tial scales instead of linear scales
available, or else the measures
for their measures.**

won't make any difference.

ECOSYSTEM

**Every person, team, and unit can
create its own scoreboard index or**

METRICS

OKRs. All are responsible for their

I configure my spreadsheet to

Some people like a quarterly

own measures.

show all numbers in shades of red

cadence of choosing objectives

or green. This way, it's easy to see

and targets (OKRs); others prefer

which measures are doing well and

a continuous flow of changes

HAPPINESS

which are not.

(scoreboard index). Pick what

Make sure that objectives and

works for you.

FOR

measurements are transparent and

GING

available to everyone else in the

organization.

The objectives on our scoreboard

MANA

are also available as tags on our

Feel free to change objectives and

workflow board so that all our

metrics whenever it makes sense.

tasks are connected to one or more

Your goal is to learn and improve,

With your objectives, always think
objectives.

not to become a slave to your

“from the outside in,” meaning a
measures.

stakeholder must find what you are
trying to achieve valuable.

Briefly discuss the index (and
the individual measures, where

[Find more ideas at m30.me/](https://m30.me/)

needed) in a weekly meeting with

[metrics-ecosystem and m30.me/](https://metrics-ecosystem.com/m30.me/)

Instead of one lower bound

your team.

[scoreboard-index](https://metrics-ecosystem.com/scoreboard-index).

(unhappy) and one higher bound

(happy), you can experiment with
more happiness levels.



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9

merit money

Pay People According to Their Merits

172

Paying people for work,

without destroying their

motivation, is one of the

most difficult challenges for
management. Regrettably,
most compensation
systems are considered
unfair by employees and
Money can't buy
unscientific by experts.
happiness, but it can
That's why it would be
make you awfully
wise to consider some
comfortable while you're
lesser-known alternatives
being miserable.
that are based on real

Clare Boothe Luce,

American author

merits instead of imagined

(1903–1987)

performance.



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Jojo runs a business. His revenues are good, but the income varies. However, today he wants to allow himself something extra. The exsignificantly. One month he wonders if he will be able to survive the ports to Norway last month earned him twice the amount he makes in slowness of summer; another month he wonders if his bank account Germany. His Chinese customer *finally* paid the invoice he had already can survive the next stampede of customers. And yet, Jojo pays written off. And hurray! After two years of ignoring his marketing, the himself the same somewhat conservative salary every month. It's Americans have now discovered his services, too. Jojo thinks this all enough to pay for his food, mortgage, and novels, but not enough calls for a little celebration and a pat on the back. After all, *he* did all for that vintage Eames lounge chair he has always wanted.

the work, didn't he? He considers a transfer of a little *extra* money to his private account, just for once. Maybe he can read his next novel in a new chair.

Why not? He earned it.





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Earning Money

What if Jojo is not a one-person company but a bigger organization?

Should it be any different? In many organizations, employees get a steady monthly salary that is conservative enough for the organization to survive and enough for people to pay their bills.

But what if the business climate is favorable and there's some *extra* money available? Increasing everyone's salary is often not an option.

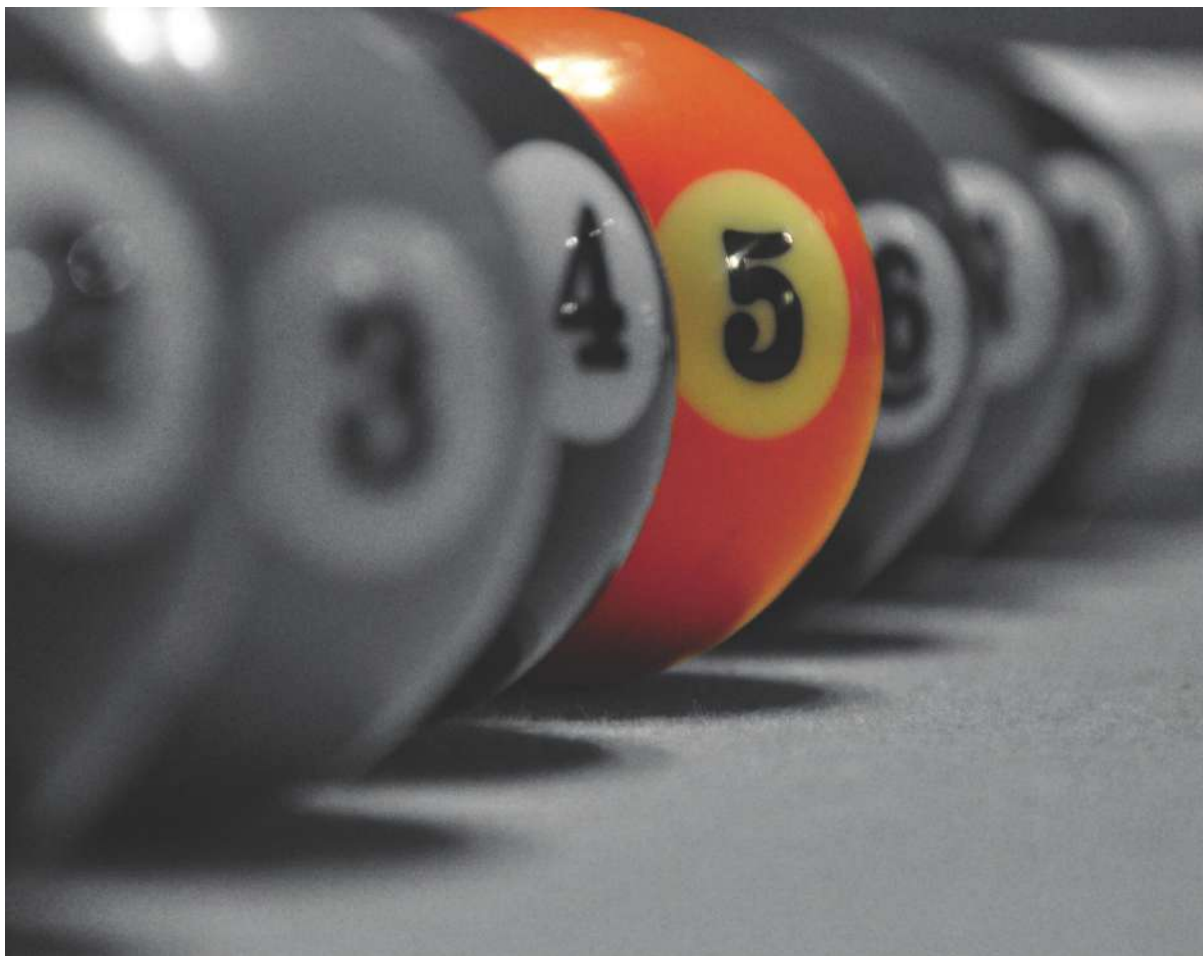
You should only do that when you know it is sustainable. Spending the money on improvements in the office is fine, but usually this benefits some workers more than others. And keeping the money in the organization's bank account is virtually the same as giving it to the business owners.

I believe that creative workers should be given what they *earn*. It is not enough to say that workers aren't primarily motivated by money (which is true) and that they prefer to pursue a greater purpose (which is also true). "Money doesn't motivate people" is not a useful answer to the question, "How do we pay employees fairly for their work?" Whatever purpose they pursue, there is probably still money involved in making things happen. Making money is good; making a difference is better; but making money while making a difference beats all.

What people earn is a result of an organization's interaction with its environment. An organization's income cannot be fully predicted; therefore, what people earn should be the sum of their (predictable)

salaries and any (unpredictable) extras the organization can afford to hand out.

Earnings = salaries + extras



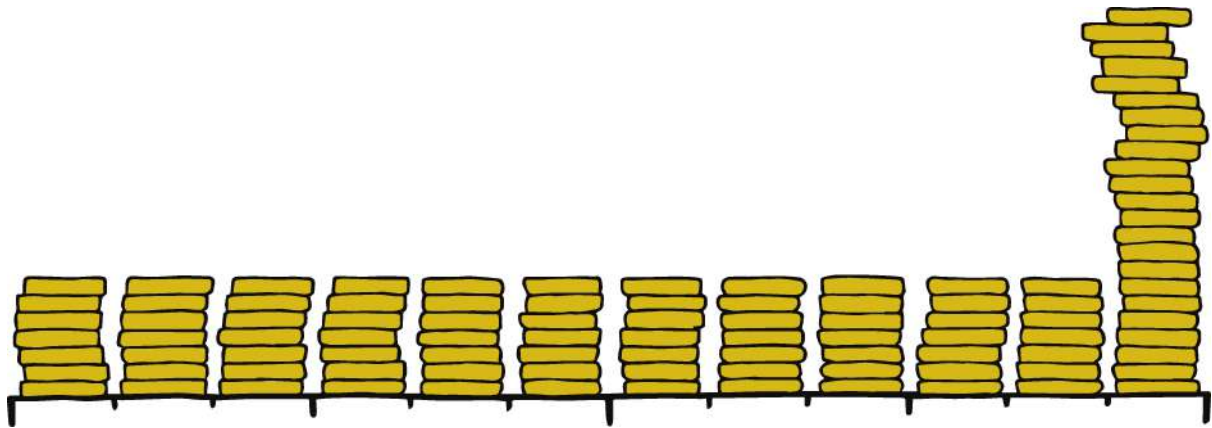


Making money is good;
making a difference is better;
but making money
while making a difference beats all.

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Bonus Systems

A practice that has infiltrated the business world like a pestilence in a shantytown is the **annual bonus system**.

(Also see Chap-

We recruit a person into what we proudly claim to be

ter 1.) The idea of this practice is that managers give workers targets and calculate annual bonuses that usually depend on people's perfor-

a knowledge organization boiling over with interest

mance ratings, job position, salary, overtime, age, shoe size, and a host of other variables. The common rationale behind the bonus system is

ing tasks and challenges. We offer a fair base salary,

to incentivize performance. But actually, it stinks.

but then add that “We really do not expect you to do

your best. The tasks and the environment we can offer

is probably not motivating enough. We will therefore

put you on a bonus system. Only then do we expect

you to go that extra mile.” Unintentionally, this kind of

Traditional bonus systems

message says quite a lot about the company and our

rarely have a positive effect

new colleagues.

on people's performance.

Bjarte Bogsnes, *Implementing Beyond Budgeting*¹

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MONEY

MERIT

Decades of research has confirmed, again and again, that traditional bonus systems rarely have a positive effect on people's performance when they are

involved in creative knowledge work.^{2,3}

On the contrary, the effect is just as likely to be negative.^{4,5} There is so much wrong with traditional incentive programs that it is impossible to list all the problems. But I feel incentivized to HAPPINESS

give you the most important ones here.^{6,7,8}

FOR

GING

MANA

- 1. People get addicted to regular**
- 3. Traditional bonus systems rely on**
- 5. The research also shows that bonuses**
rewards, and if they don't
objective measures, but reality is far
undermine intrinsic motivation and
get their anticipated reward,
too complex to capture in numbers.
altruism. As soon as rewards are
they will feel disappointed
- The metrics often ignore the soft**
handed out, people start to think,
or punished. This ultimately
side of good performance, including
"They pay me extra for this work; thus,

destroys motivation and thus teamwork and collaboration. (See it cannot be fun, interesting, or good.” performance. (See Chapter 1.) Chapter 8.)

2. Individual rewards disrupt
4. Research shows that rewards distract collaboration, which is crucial in people from complex work, disrupt

It should also be noted that bonus systems **creative knowledge work. Individual creative thinking, and increase** are usually based on company profits. But **rewards stimulate competition people’s stress levels. This causes** creative workers cannot directly relate their **and cheating, which destroys the them to play safe and prefer easy** work to their company’s profits, because **relationships between workers, tasks, while innovation requires** most of what influences profits—a combina- **and also between workers and their**

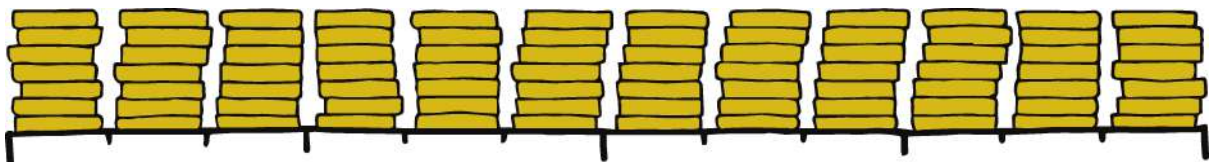
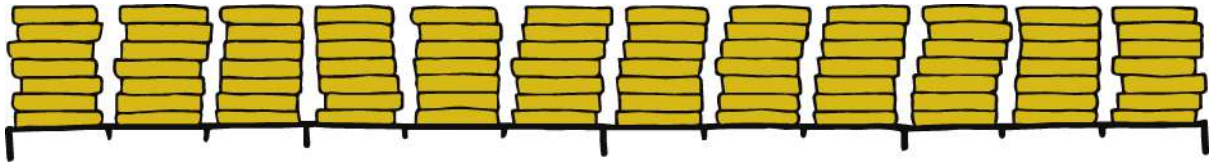
the opposite: taking risks and doing

tion of systemic effects and environmental

managers.

complex tasks.

factors—is bey**[ond their immediate control.](#)**⁹



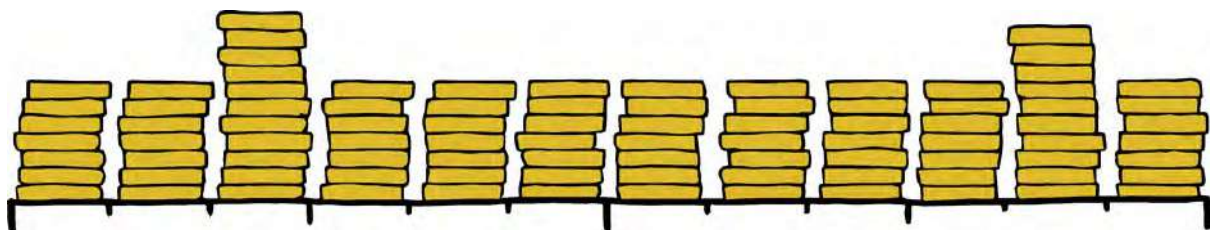
Some people argue that organizations should get rid of their bonus. I believe a flat compensation system doesn't address the challenge systems entirely. They say most of an organization's performance is of paying employees what they really *earned*. First of all, there is the in the system, not in the people, and therefore it's best not to differ problem that roughly 80 percent of all people think they perform entiate between employees. Everyone should get a steady salary and better than average, [10 and thus, when e](#) everyone gets paid the same (maybe) an incidental bonus that is the same for everyone. Some even as everyone else, 80 percent of workers will feel underpaid. (It won't go as far as to suggest that there shouldn't be any incidental bonus be true, but you can't argue about feelings without real data.) Second, es at all. Only Christmas bonuses seem to be appreciated, but those while bad fortune in business is usually absorbed with conservacount as anticipated (and therefore promised) bonuses; they are not tive salaries and incidental layoffs, good fortune should likewise be intended to redistribute unexpected extra income of the organiza-enjoyed through extra payouts and by hiring new people. When you

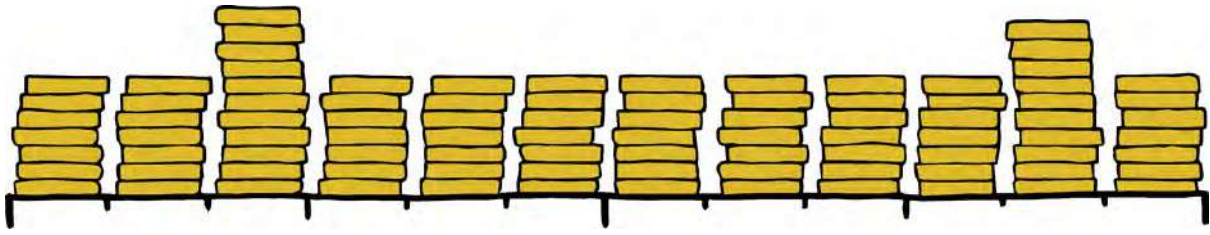
tion. In other words, these people are all in favor of a **flat system**, don't pay any extras to workers, the workers share the burden of set-without any unanticipated extras.

backs, while only the business owners reap the benefits of success.

This is probably not motivating to most people. It has certainly never motivated me.

A flat compensation system doesn't address the challenge of paying employees what they really earned.





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Merit Systems

MONEY

MERIT

In an organization that is operating in an uncertain environment, I believe workers should

have a steady salary that is predictable and slightly conservative. On the other hand, they should also get extras depending on the unpredictable part of the environment. Both salaries and extras should be brutally fair and based on merits, not equality.

This has

HAPPINESS

led me to suggest the following practical constraints for better compensation systems based on the five problems listed earlier:

FOR

GING

1. **Salaries should be expected, but**
3. **Peer feedback is the main**
5. **Use compensation to nurture their**

MANA

bonuses should not.

performance measurement.

intrinsic motivation.

Always keep bonuses a surprise.

Contributions to a shared purpose are

Make money a reflection of people's

When bonuses become frequent

best detected and evaluated by peers,

curiosity, honor, acceptance, mastery,

and anticipated, they ought to be

not by managers. Only the whole

and all other intrinsic motivators.

converted to regular salaries.

system knows all the details.

Of course, implementing these suggestions

2. Earnings should be based on

4. Use creative thinking to grow the

for a compensation system is not a trivial

collaboration, not competition.

compensation system.

thing, but I have discovered different ideas

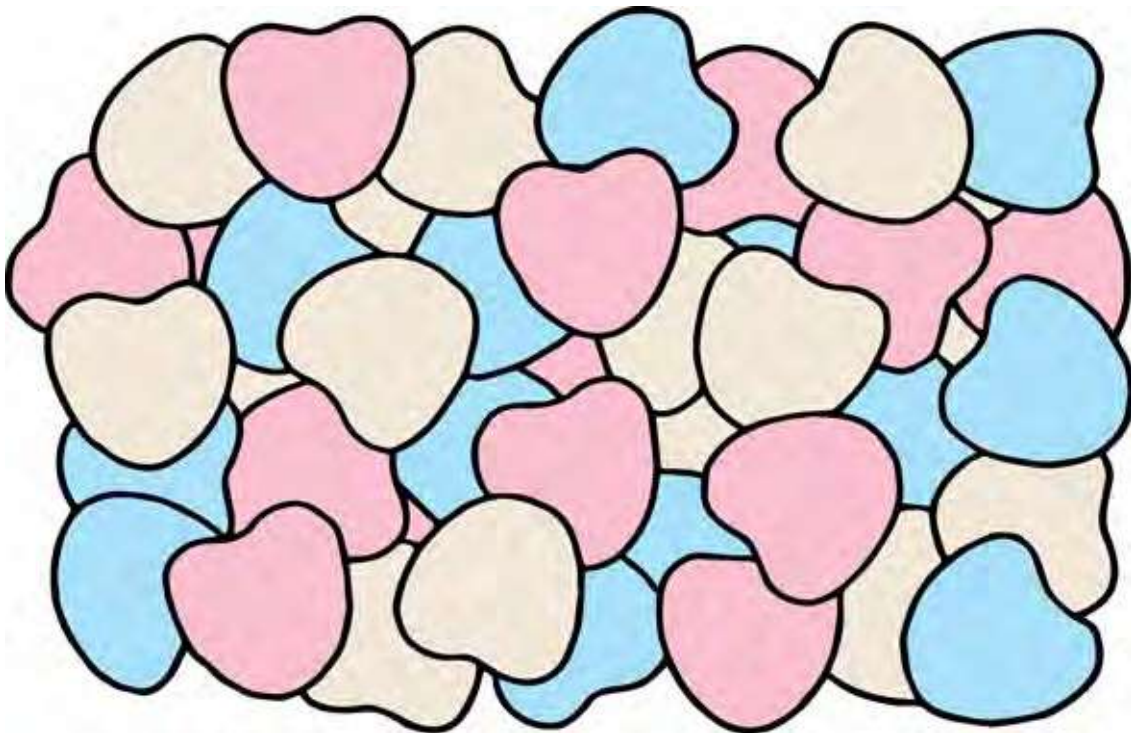
When determining how much people

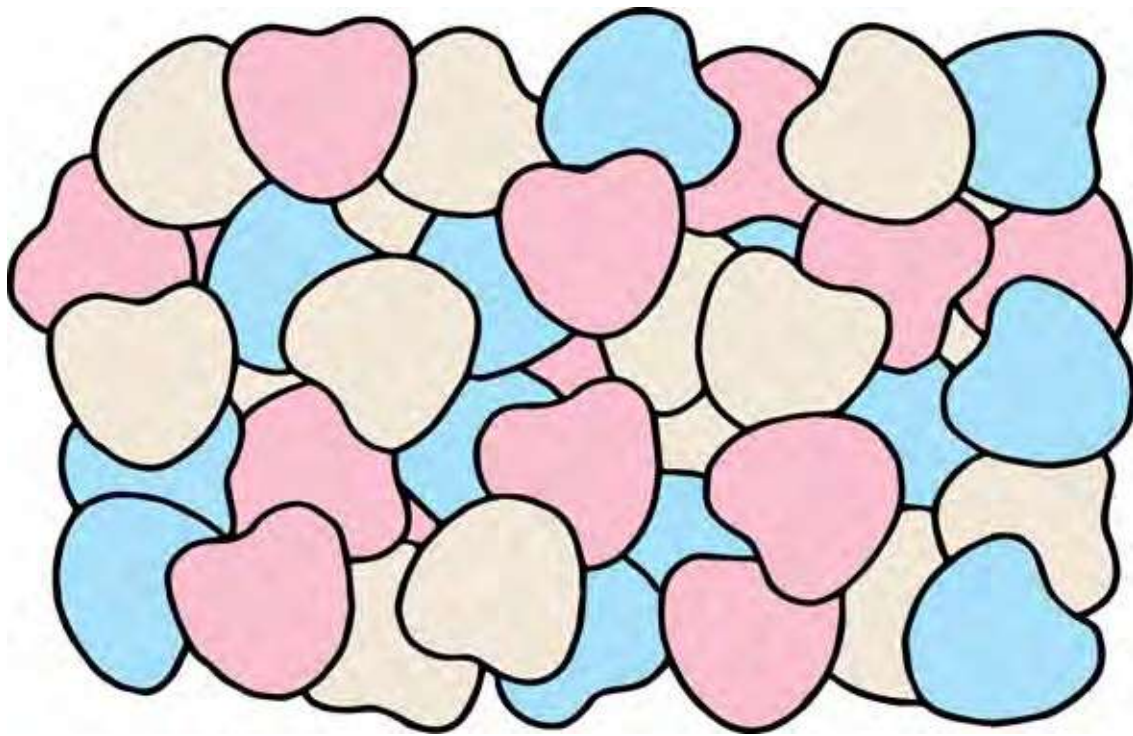
Expect that people can (and will) game

that seem to work rather well for various

should earn, the main criteria should

any system, and tap into that creativity
creative organizations. These ideas also turn
be their collaborative work toward a
by inviting and supporting it, instead of
out to be quite compatible with each other
common goal.
driving it out.
as well as with the science of behavioral
[economics.11](#)





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Virtual Currencies

Any manager in an organization can start a merit-based earning contributed what to the team's collaborative work. I have a good idea system—covering people's extra income, not their regular salaries— which of my team members helped me get an article published before and for the remainder of this chapter I will assume you are a manager. a deadline. I know who paid for coffee last time. (It certainly wasn't (As an individual employee you could do this as well, but when your me.) And I know who stole my socks. (Yes, I know where they are!!) span of control covers just your own money, it makes little sense to re

On the other hand, I get good service from my accountant, but I don't

distribute your bonus to yourself.) The distribution of money is a sensiknow if it's really him or the team behind him doing all the work. More tive topic; therefore, you have to treat this practice with proper care.

generally, when organizational units work with representatives, others in the organization usually cannot distinguish between the work The first thing you do is set up a *safe-to-fail environment*. You can conof the representative and the work of the entire unit. As a manager, sider reserving just 10 percent of the current annual bonuses for the you should therefore decide whether entire

units could also be the new system. It is not necessary to ignite a company-wide revolution beneficiaries of hugs.

either by yourself or by disgruntled employees. Take it easy. Start in a way that allows you to fail and learn.

The second thing you do is create a virtual currency to represent the merits that people can accumulate over time.

You can use *credits*,

points, coins, hugs, beans, candies, bananas, or anything else to represent recognition of people's contributions to the network. It is important not to use real money because the monetary value of the virtual currency is *zero* until management decides there is a good reason to

convert the virtual money into real money. For virtual coins, I will use

the term *hugs* in this chapter because a hug clearly has no monetary

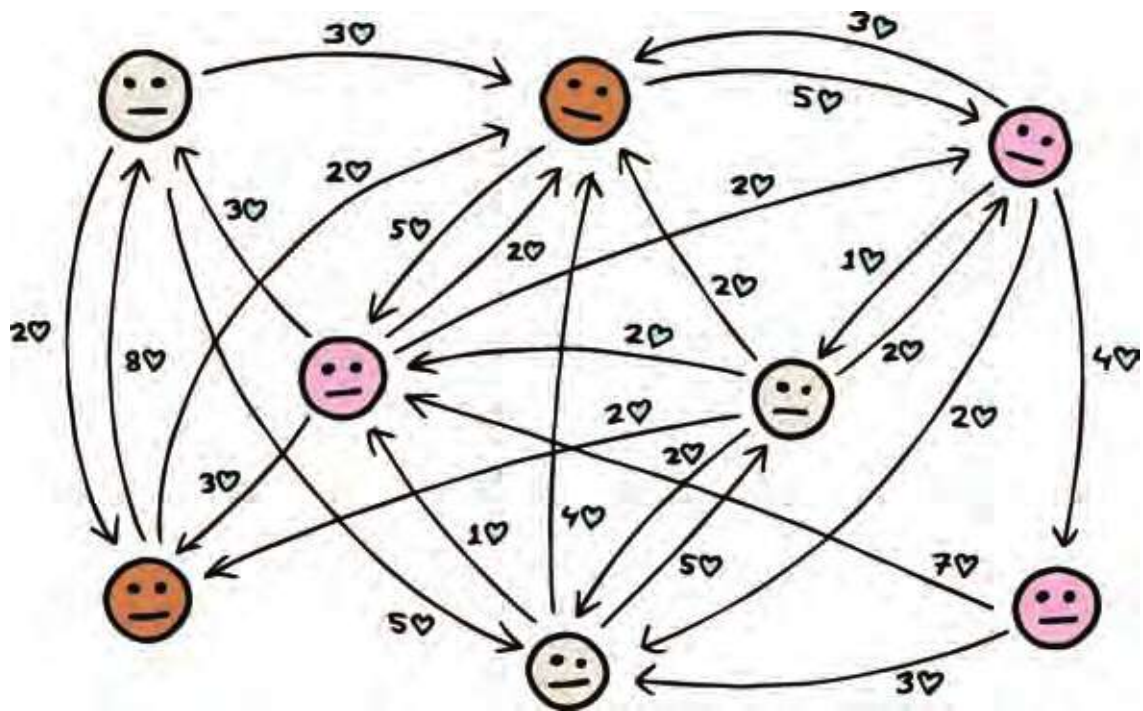
value, and we generally give hugs to others, not to ourselves. (I tend to

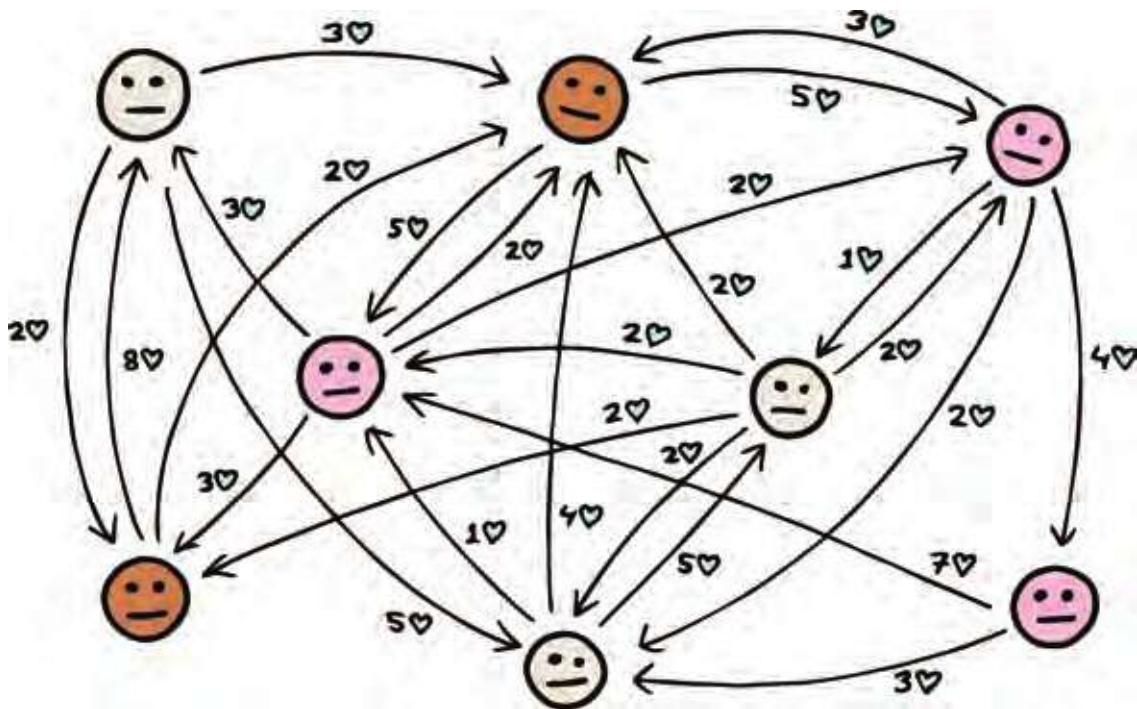
hug myself when I'm sleeping, not when I'm working.) The exchange

rate of a hug to a euro, dollar, yuan, or other official coinage is 1 to

zero.

The third thing you do is decide which organizational units can collectively receive hugs besides getting them individually. Within a self-organizing team, recognition of merits is a relatively easy thing. People all know each other personally, and they have a good sense about who





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Peer Recognition

Nobody can claim to have the best

MONEY

definition of what performance is

Now we get to the core of the merit system. The next step is for you

MERIT

to define the total amount of hugs available, and how often they will

and what collaboration means.

be passed out. My suggestion would be to do this once per month, but I'm sure other frequencies (weekly or quarterly) are possible, too.

We should, therefore,

HAPPINESS

And then the fun starts.

use everyone's opinion equally.

FOR

GING

The single most crucial aspect of a merit system is that every individual can only recognize the contributions of other people, and that You have just created a market for merits, and like any other market, MANA

the opinions of all individuals have equal weight. Therefore, everyone you can expect to witness unpredictable and amazing creativity. One in the organization gets an equal share of the hugs, but **all employees** worker may decide to share her hugs equally among all team mem

must give away *their* [hugs to others](#). 12

bers. Another worker can use a personal metric, such as compliments

received or productivity observed, for the distribution of hugs to

peers. Another worker might receive half a colleague's total hugs

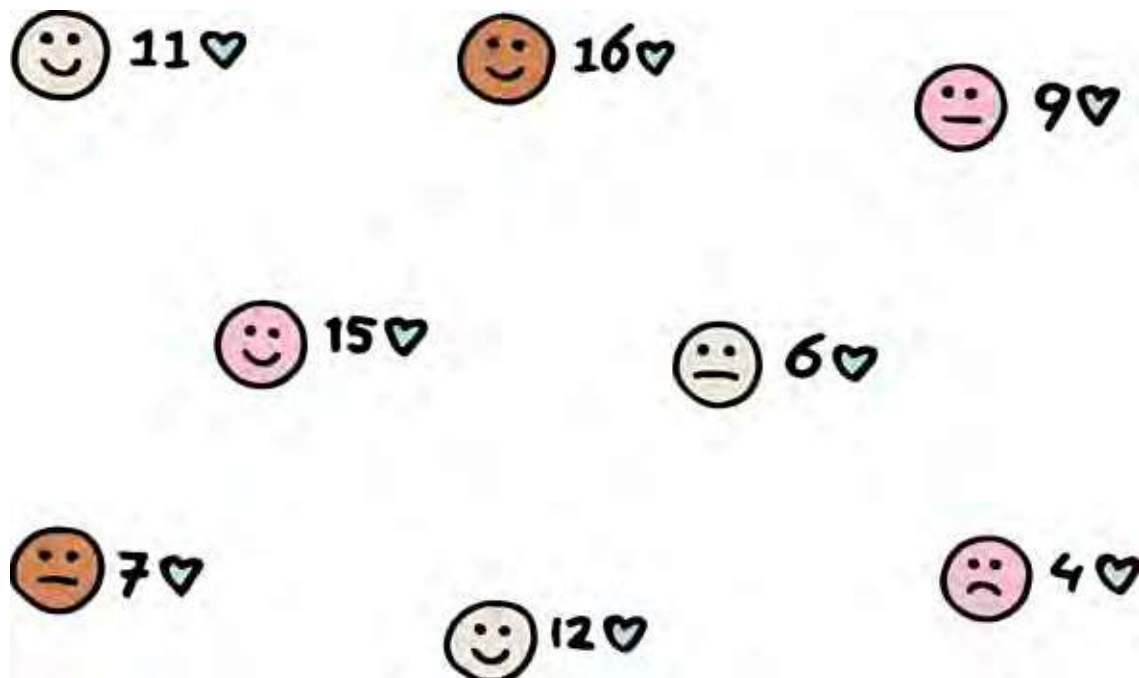
after helping out when that colleague was feeling depressed and on

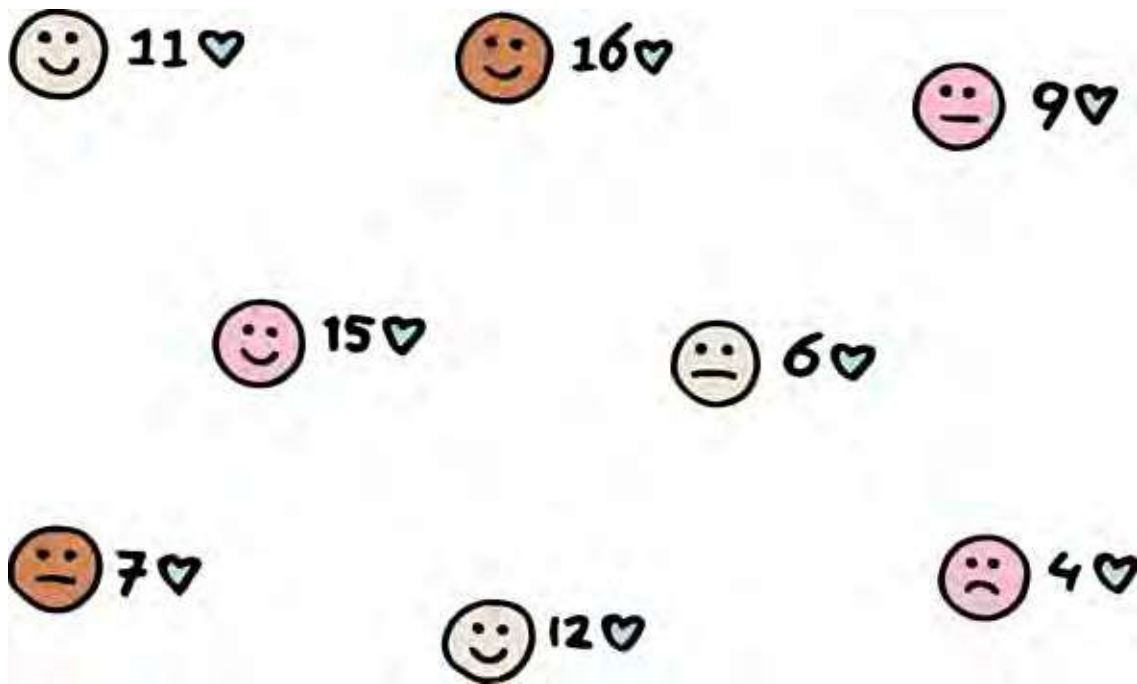
the verge of quitting. Workers are also allowed to give away hugs to

people or units outside their own team. After all, good working relationships don't limit themselves to formal organizational boundaries.

The central idea of the merit system is that nobody can claim to have

the best definition of what performance is and what collaboration means. We should, therefore, use *everyone's* opinion equally. This can be viewed as the **wisdom of the crowd**.¹³ [Instead of](#) *claiming* rewards, which is usually the case in salary negotiations and annual bonus systems, all merits have to be *earned*. After all, social science says human beings are keen observers of other people's behaviors, but very poor at [evaluating their own](#).¹⁴ [Therefore, the](#) *claimed hugs* (everyone claiming an equal share) only become meaningful by converting them to *earned hugs* (through peer feedback and recognition by others).





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What happens to people

who get less than

expected?

The criteria for passing out hugs should be related to a shared purpose as well as values and principles that inspire people. For example, the question that people could ask themselves is:

It is said that 80 percent of all people believe

What did others do that helped us to engage people, improve work, and delight clients? Did someone get us a step they perform better than average. However,

closer to achieving our purpose?

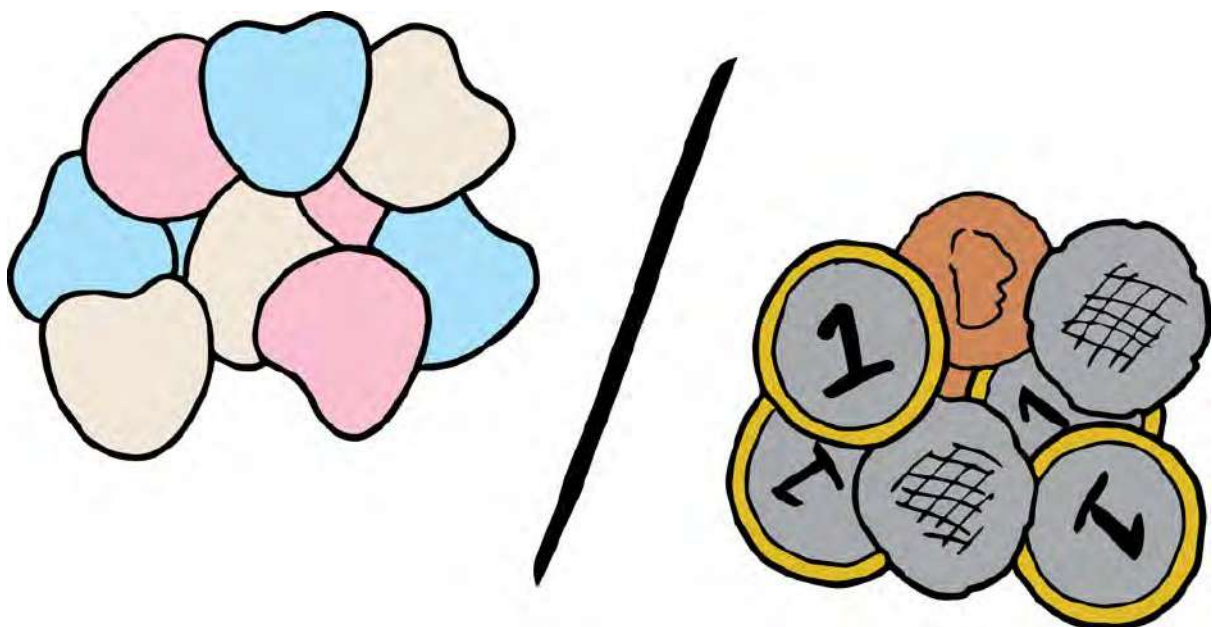
depending on the distribution of hugs, roughly

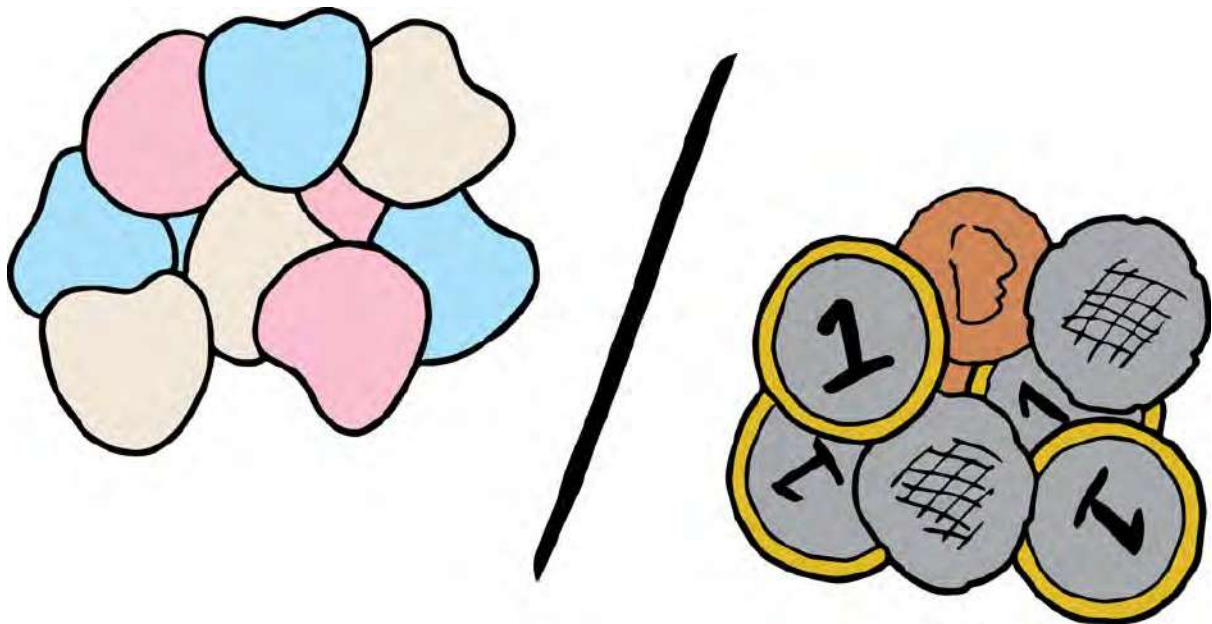
50 percent of the workers will get more hugs

than the average. This means that an estimated

30 percent of the workers could feel disappointed that their work is not

recognized by their colleagues, or at least not as much as they had expected. These people have a choice. They can either learn how to do better, accept the fact that not everyone can win gold in the Olympics, Given that a healthy organization will have a mixture of individual goals, team goals, and organizational goals, it will be up to the individual else find another place where they believe uals to find a healthy balance between the needs of employees and units. No written policy or procedure can calibrate intrinsic desires their contributions will be better appreciated. in an organizational network. That task is better left to the most complex device in the known universe: the human brain. All available brains, in fact.





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Cashing Earnings

MONEY

MERIT

After a number of iterations and people's earned hugs have accu

The financial value of hugs can be published like shares on a stock

mulated over time, there will (hopefully) come a time for hugs to be market. It will depend on the bonus money available and the number cashed in, using a certain exchange rate.

There are different of outstanding hugs. When the hugs become cashable, people could

ways for doing this.

have a choice. Either they convert their hugs to real money now, or

HAPPINESS

they save their hugs for the next round, in the hope that the value

Every month, management could set aside a bonus, with a total value will go

up. (An additional idea is to have an expiration date on earned FOR

depending on business profits. They could then ask the newest employees, similar to frequent flyer miles with airlines. Another idea is to GING

employee (or someone else who has the least to gain from a possible paylimit the total number of hugs people can save, similar to upper limits out) to roll two dice. Management will only allow hugs to be cashed for unused vacation days.) MANA

when the number rolled is four (or some other favorite number). If any

other number comes up, the bonus will simply roll over to the next Several alternative programs can be conceived, depending on the month. This means the bonus money becomes available only once per culture of the organization, the kind of business it is in, and the bonus year on average, accumulating each month, but paid out at random money available. But whatever specific implementation an organization intervals. This would make people feel less stressed about anticipated tion comes up with, merit systems in general are much more likely to bonuses. Less stress is important for creative thinking.

help people focus on shared purpose and collaboration than traditional programs with numerical targets and annual bonuses.

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Six Rules for Rewards

The merit-based system as described here satisfies the five con-

Depending on how you implement a merit system, you could also satstraints I listed earlier. The system keeps any big rewards unexpect-isfy the six rules for rewards that were outlined in Chapter 1:

ed; it emphasizes collaboration instead of competition; it relies on

peer feedback; it invites rather than destroys creative thinking; and

it aligns rewards with various intrinsic motivators such as honor, acceptance, mastery, freedom, relatedness, and goal (see Chapter 10).

1. Don't promise rewards in advance.

3. Reward continuously, not once.

5. Reward behavior, not outcome.

People know what salary they get

The merit system has a regular

People will give hugs for the things

every month, but (in the ideal version

cadence because workers reward each

they did for each other and for the

of this practice) they don't know if

other frequently. Feedback is not put

organization. This rewards behaviors.

and when there will be something

off until the end of the year; therefore,

The final outcome will depend on the

extra. Bonuses should depend on the

the chance of forgetting things is small.

environment, and people cannot be

environment, not on a calendar.

made responsible for that.

4. Reward publicly, not privately.

2. Keep anticipated rewards small.

In the ideal version of this practice, the

6. Reward peers, not subordinates.

Monthly salaries are anticipated,

hugs are earned publicly. Transparency

Management switches focus from

of course. However, since workers

makes sure that everyone knows what

managing the earnings of people

receive their salaries whether they

is going on and what is appreciated by

to managing the constraints of

achieve good results or not, this

others, so they can adapt accordingly.

the system. The recognition that

anticipation will not interfere with

people get is from peers, not from

their stress levels and performance.

management.

Like any useful recipe, the rules for rewards should be considered as

guidelines, not laws set in stone. Nevertheless, it is encouraging to

see that our merit system is in line with these guidelines, particularly

since they were derived from motivational literature.



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But ...

thinking about money is distracting!

Correct, but *someone* has to do it. Not Simply thinking about money has an Shifting responsibility for the money paying workers any money is not an influence on people's behaviors.¹⁵ flow to the workers through the use of option. They are creative workers, not Therefore, it is tempting to leave this a peer recognition system is similar to unpaid volunteers. Paying everyone dreaded responsibility to one manager introducing capitalist democracy. We the same amount all the time is also so that everyone else can "just focus can discuss all the risks and dangers of not an option for various economic on the work." Of course, what usually this system and how to improve it, but reasons. A moderate level of income happens is that, besides focusing on there's one thing we can agree on: It fluctuation is necessary to keep the their work, people complain about will probably work better than getting system

anti-fragile. So, who will decide their compensation and how badly they are paid as if through a dictatorship.

How the money flow in the system will manager is doing his or her job. After fluctuate?

all, everyone feels entitled to more!



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Experiment and Customize

The system described in this chapter is a generic practice for earn

This is rarely a straightforward process. Likewise, switching from a

ings based on merits. It can (and should) be customized in many dif-

traditional bonus system to a merit-based bonus system will probferent ways. For example, instead of hugs or beans, the creatively ably involve the need to address a number of problems. I received challenged organizations may prefer a term such as credits or points.

some reports about employees making deals with each other, about

And instead of a fully open process, the transparently challenged cheating leading to more cheating, and about rewards being given organizations may want to keep part of the process anonymous and for unhealthy behaviors. If you ask me how to *prevent* these problems, I will tell you that you can't. I can only suggest that you set up

“top 10 recognized people in the organization”). The system can also be a system that is safe-to-fail, and that you learn what other organizations introduced gradually. At first, you could do this for a small part of organizations to make things better. This is similar to the way democracies introduce the traditional bonus. Later, with more experience and more buy-ins, people learn from each other how to have better elections and better from employees, you can increase the percentage and the impact of institutions. After all, the only alternative is either dictatorship or the system.

anarchy.

Money and emotions are tricky things; therefore, any system that involves both will have to be set up in a way that is safe-to-fail. With Creative people will game the system.

small increments (such as weekly or monthly experiments instead of quarterly or annual outcomes), the feedback cycle is shorter and

The trick is to exploit this creativity

people will learn faster how to improve the system. The use of a valueless virtual currency instead of real money will allow people to make the system more resilient.

to experiment more comfortably; it will be easier for them to decide

that a chosen path is not working and change direction or start from

scratch. We must also realize that creative people *will* game the system. The trick is to exploit this creativity to make the system more resilient. Finally, it is hoped

that the merits market described here will grow resilient. The short iterations and valueless currency should help into a more collaborative culture within the organization. But people to adapt to each other's strategies and allow management one thing is certain: when recognition of merits (and allocation of to tweak the constraints, all in favor of increasing collaboration and money) is transferred from management to workers, it absolves working towards a common purpose.

management of performance reviews and bonus calculations. This

means that managers can start leading and servicing people instead

When central authority is replaced with distributed decision making of managing everyone's [money](#).¹⁶

ing, things can and will go wrong. One only needs to consider the countries where a dictatorship has been replaced with a democracy.



What if ...?

I don't have ready-made answers to all these questions. The way I see it, any merit system has flaws that will surely come

In various discussions I have had about the merit system, to the surface; nevertheless, it will always be better than the people are always positively interested, while at the same dysfunctional financial reward systems most organizations time being genuinely concerned about several variants of have institutionalized now. Why worry too much if a new the “what if” question:

system might demotivate 10 percent of the people, when

the current system demotivates 90 percent of them?

- “What if two people decide to give each other all their hugs?”

With simple rules, fair governance, and sufficient transpar

- “What if people demand hugs in return for good
ency, people will be able to adapt to each other’s behaviors
behavior?”

(both the good ones and the bad ones). Ultimately, the only

- “What if extroverts get more hugs than introverts?”

remedy to self-organized misconduct and emergent unfair

- “What if people are just pretending to be interested in
ness will be the positive creativity of peers, not the addition
collaboration?”

of extra rules and procedures. The best way to deal with

- “What if intrinsic motivation is destroyed when
problems is to turn the financial stuff into a real, complex,
someone gets no hugs?”

adaptive system.

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A crazy idea that works

“I am the CEO at Fonte Medicina Diagnóstica, a molecular month. As a manager, I can only see part of how people pathology center that deals with cancer tests. One of the are performing. But with this system, employees decide problems I ran into as a new CEO was our salary system. In for themselves whether their peers do their jobs well. We my opinion, the people that made the most effort should also have a trade market with a conversion rate. People be entitled to some extra money, but I had no idea how to can choose to exchange their fictional currency or keep measure employee performance. One of the company’s their money and wait for a better rate.

key values is collaboration, and I wanted this to play an important role in our compensation system.

I now have far fewer things to deal with. All kinds of arguments and other things that I needed to handle have

For a while we had a bonus system based on 360-degree now appeared to solve themselves. People just know evaluations, but that process took way too long. We good behavior will pay off. Dysfunctional behavior will be then decided to implement a merit money system. Ev

dealt with: You won't get any extra money. The best part

ery month everyone at the company receives the same is, I explained it to the people in 30 minutes and it worked bonus with a fictional currency. There's just one rule: right from the start!"¹⁷

You can't keep the money for yourself. You can give it

all to the same person, or you can distribute it in small

amounts. Can't think of someone? Just give it away next Cláudio Pires, *Brazil*



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During each project, whenever a team member feels a

Cashing stars

colleague helped him, he is free to award a star to that

colleague. There's no limit imposed by management on

"I've seen a practice similar to merit money at a client's the number of stars you can award. At any time, the team business in Romania. They have two visual boards: On members can 'cash in' their stars by asking management one board there are the pictures of all company mem

to purchase the desired physical item for which they

bers (roughly 20). On the other board they have a cata

have enough stars. The CEO told me that, initially, he was

log that lists various physical items, starting with a pack afraid people might exploit this system unfairly, but in of beer and going all the way up to a PlayStation. Other fact nothing like that happened. Nobody abused the sys artifacts include books, monitors, or fancy office chairs. tem and everybody acted like a trustworthy adult.”

Each physical item has a price in stars: 1 star for the pack

of beer up to 100 stars for the PlayStation.

Flavius Stef, *Romania*



How to Get Started

Let's see if your organization is ready to introduce its own merit system.

1. With this practice, it is very important that you first create a safe-to-fail environment. For example, announce the new program by saying you first want to gain experience through a trial period of a couple of iterations, and that you will surely do a reset of the whole system after that period.
2. Think of the logistics, such as the name of the virtual currency and how it will be awarded. Will it be introduced physically or electronically? Can people reward entire teams and business units? How much of the system will be transparent?
3. Get commitment from key leaders in the organization. Allow people to get involved voluntarily so that they can first watch the effects on other people and on the business as a whole.
4. Evaluate the trial period with all stakeholders before doing a real introduction.

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Tips and Variations

MONEY

MERIT

Some suggest reducing available

The money part of merit money is

Some people have suggested

points for people who work only

actually optional. If you leave it out,

using an opt-in approach for merit

part-time, but we believe everyone

HAPPINESS

you simply have a great, continu

money: Only those who want to

should have equal votes.

ous 360-degree feedback tool.

join will do so.

FOR

GING

Instead of money, you could get

MANA

Initially, we gave away all our points

Similar to an options system, you

people to exchange the points they

once per month. But we switched to

can have people choose a voluntary
earned for perks and prizes.

a monthly budget of points that we
cut in their monthly salaries in
can give away in small amounts any
exchange for a (potentially higher)
day of the month.

merit money payout.

Out of our entire team, only one
person doesn't want to use the
tool. That's OK, but it also means

We throw one die each month

We reset the system each month so
she hardly receives any points.

and we pay the cumulative bonus
that people lose their points if they
when 6 comes up. Our team finds
don't use them. It's also possible to
it great fun.

carry people's points over to the
next month.

Try to be as transparent as possible.

But no matter the transparency

level, make sure that management

We keep things simple: We only

gets the same information as the

give points to individual people,

We tag all points that we give to

employees!

not teams or units, and only to

each other with one or more com

people working for the company.

pany values, such as #transparency,

#commitment, or #kindness.

Find specific tools and more ideas

[at m30.me/merit-money](https://m30.me/merit-money).



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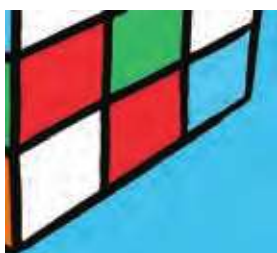
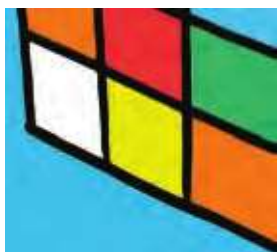
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10

moving motivators

Discover Real Engagement of Workers

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The goal of each

organization is to

motivate people to be
productive together. Most
companies achieve this by
It's a great mistake, I
paying their workers. But
think, to put children off
extrinsically motivated
with falsehoods and nonpeople aren't necessarily
sense, when their growing
intrinsically engaged. Use
powers of observation
the moving motivators
and discrimination excite
exercise to find out what
in them a desire to know
drives your workers and
about things.

how to make engagement

Anne Sullivan, American teacher

a built-in property of the

(1866–1936)

organization.



It is Sunday when I write this. My spouse has been away for the weekend, which means I've been enjoying me-time for two days.

I could have binge-watched a TV series, organized my music collection, or explored the forest on my mountain bike. But I didn't.

Instead, I took the opportunity to finish a PowerPoint slide deck.

It involved researching terminology, designing slides, positioning images, polishing texts, and fine-tuning colors. Why? Because I enjoy *making* things. The moment I clicked *Save as PDF* late yesterday afternoon and reviewed the final version of my slides may have been

my happiest moment of that day. I *created* something! That, and I emptied a bowl of chocolate-covered almonds.

I have always had a great appetite for understanding things about the universe. When I was 16, I was probably the only kid in my class who

was trying to grasp Einstein's theory of relativity. And when my classmates were outlining body parts on the walls of our city's shopping malls, I was drawing molecules and four-dimensional space-time continuums at home in my room upstairs. Science has often been more important to me than fun. No, scratch that. Science *is* fun. I still remember how much I was in awe when reading Richard Dawkins' *The Selfish Gene* and talking to my spouse about evolutionary strategies

and the idea that we're little more than lumbering robots, spreading our genes around the world. Amazingly, our relationship held.

Nothing can come out of a creative process when there's nothing going in. That's why I didn't spend my time yesterday on what other people might call leisure activities. Learning how the universe works and turning that knowledge into creative expressions, with models, texts, and illustrations, is much more enjoyable. In fact, *leisure* is usually

defined as “time when you can do whatever you want to do” and “enjoyable activities that you do when you are not working.” I find this a sad definition. It seems to imply that people, when they are working, cannot do what they want and will not enjoy the activities, either. How different would the world be if everyone found their jobs motivating and engaging.

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It probably comes as no surprise to my readers that many people Business leaders and human resource managers understand this.

around the world usually don't associate the word *enjoyment* with There is no production without motivation. But a *motivated* worker is the word *work*. Time and time again, research programs and survey not necessarily an *engaged* worker.

reports have shown that employees don't feel engaged with their jobs. (The same applies to their managers, by the way.) Most companies admit that they have an employee engagement problem; most A motivated worker

companies feel they don't have engaging work or an engaging brand; and most companies have [e no idea how to change this.1 Reports con](#) is not necessarily

firm that business leaders and human resource managers consider tackling the lack of employee [ee engagement one of their top priorities.2](#) an engaged worker.

Judging by the sheer amount of data available on this topic, it seems that those who publish such employee engagement documents are quite motivated to churn out report after report.

Payment is the traditional way organizations motivate their employ

In a way, the lack of engagement among employees is strange. The ees. And it works (quite well, actually). But managers get even higher innate goal of an organization is to get people to produce things colproductivity when, besides the money, people also feel motivated laboratively. Together they make products and services that they by something that is more meaningful to them. We call that *engage*

otherwise wouldn't create by themselves. This means that *motivating ment*.

And in most organizations, it's lacking. Leaders and managers *people to be productive together* is a built-in property of every organization. Without motivation, nothing would be produced.

the mundane reason is higher productivity. The big question then is,

“How do we make engagement (or *meaningful* motivation) a built-in property of the organization?”

Firms exist to coordinate and motivate people's economic activity.

John Roberts, *The Modern Firm*



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Can We Really Motivate

TORSA

TIV

People?

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NGVI

MO

I lied. Yesterday, I briefly watched a couple of YouTube videos of Ruby

es,

Y

yes, I know. Technically, it is incorrect to say that “someone is

Wax, Jennifer Saunders, and Dawn French, some of my favorite comedians making people laugh.” All that comedians can do is set up the right conditions. They make me laugh. They make many people laugh. Under conditions that maximize the probability of audience members being really, they get paid to make people laugh. Maybe they can make people coming amused, to such an extent that they start making involuntary HAPPINESS

cry too, but I’m sure they’re not paid to do that. Politicians are.

noises with their vocal cords, and remove any conditions that might

prevent this from happening. In laymen’s terms: They make people

FOR

Sometimes, I hear consultants or coaches say, “You cannot really make people laugh. Some are so good at maximizing those probabilities that they GING

tivate people, they can only motivate themselves.” This often annoys people who get paid for it. Success, however, is not guaranteed. Ask Tony Blair.

NA

me. What nonsense! Do these coaches and consultants also believe

MA

that we cannot really make people laugh? That people can only decide

With motivation, it is the same.

for themselves to start laughing?

Technically, we cannot make

people feel motivated. But we

can certainly set up the right

conditions that maximize the

It is a mistake to talk about motivating other

I

people.

probability that it will happen,

even though success is never

All we can do is set up certain conditions that will maxi

certain. Managers should

manage the system, not the

mize the probability of their developing an

interest in

people. This means that

managers are responsible

what they are doing and remove the conditions at

th

for making motivation a

built-in property of the

function as constraints.

organization. Some managers are good at that.

Alfie Kohn, *Punished by Rewards* 4

Many are not. But they
can learn!

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Intrinsic and Extrinsic

Social scientists have come up with various ideas to divide motiva

The distinction between intrinsic and extrinsic motivation is useful

tion into different categories and dimensions. I have mentioned this but rather simplistic. There are few systems in the world more combefore, but let's look at it a bit more deeply this time.

plex than the human brain. It would be a bit naïve to believe that the

complexity of human psychology and sociology can be reduced to just

- **Intrinsic motivation** is the desire to do something because of two simple categories of motivation.

an interest in the topic or enjoyment in the task itself. It exists within the individual and can be validated by studying both animal and human behaviors. We can recognize that organisms spontaneously engage in playful and curious behaviors without others asking or telling them to do so. It is why we say that intrinsic motivation is a natural tendency of an organism. and extrinsic motivation is useful

- **Extrinsic motivation** is the need to do something to achieve but rather simplistic.

an outcome that is desired by something or someone outside of the individual and obtained by offering rewards (for showing the desired behavior) or dealing out punishments (for lack of the desired behavior). Quite often, extrinsic motivation is used to Complexity thinkers might agree with me that reality works the other way around: There is intrinsic motivation among humans to make normally get from their intrinsic motivation. Money, grades, and trophies are examples of extrinsic rewards.

mutually exclusive categories of intrinsic and extrinsic desires be-

cause our brains have a strong need for simplification, abstraction,

You can easily check whether the people in your organization are and reduction. For example, we speak of men versus women as two intrinsically or extrinsically motivated by canceling payment of their genders and easily forget about the alternatives, such as genderqueer salaries. Those who stop working—because they require and expect (in between), bigender (two genders), trigender (three genders), agen-the money—are extrinsically motivated. Those who keep working— der (gender neutral), third gender (something else), and pangender because they enjoy the work—are intrinsically motivated. (I suggest (a bit of everything). Likewise, we speak of day versus night and easily you make this a thought experiment only!)

ignore that dusk and dawn are both, neither, or somewhere halfway.

And we speak of life versus death and then find ourselves struggling how to classify what is lifeless, undead, resurrected, self-organizing, autopoietic, or just plain weird.



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ORSTA

TIV

MO

It won't surprise you that, according to some researchers, the diverse range of human motivations cannot be forced into just two cate-

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gories.⁵ For example, many people would say that I am intrinsically motivated to research literature and creatively transform the things I learned into presentations and books because these activities bring me joy. However, I also experience enjoyment when I receive compli-

HAPPINESS

ments, awards, and money for the products that I offer to the market.

Granted, I often started these projects without anyone's suggestions

FOR

or incentives, which indeed hints at intrinsic motivation. But I cer-

GING

tainly *imagined* the incentives, and I have also stopped many creative experiments due to a lack of interest and encouragement from the

MANA

environment, which would suggest extrinsic motivation. So, am I in-

trinsically or extrinsically motivated? And do we really need to make a binary distinction?

Complexity thinking requires us to acknowledge that there are many shades of gray between the two extremes, and different people are motivated in different ways. Some people need little or even no encouragement to do things. Others need a bit more, even when they truly enjoy the activities. And quite often, it is hard to decide what is intrinsic and what is extrinsic. Does someone enjoy cooking because of an intrinsic need for food? Or because of the encouragement (and possibly a late-night reward) from a loved one? Do people go to the gym because their bodies make them feel good? Or because the response of other people makes them feel good? Am I working on this chapter because I want to write it? Or because you want to read it?

How about pan-motivation? A bit of everything?

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CHAMPFROGS

I offer my own CHAMPFROGS model to anyone who wants to dive I have no idea what the word CHAMPFROGS means. It's nothing a bit deeper into the topic of worker motivation. This model draws more than a nice mnemonic that enables me to remember the 10 in-from several other models.^{6,7,8} However, CHAMPFROGS limits itself trinsic motivators for team members.

to motivational factors in a business context. In this model, I choose

to ignore intrinsic motivators such as food, love, and vengeance. Obvi-

Before we have a look at each of the 10 motivators, remember

ously, we should not ignore such needs permanently, but—with some that we are looking for meaningful motivation and true worker exceptions—I find the following 10 motivators more relevant in my engagement—not only because an engaged worker is more productive than someone who is merely motivated by payment, but also because meaningful motivation is the right thing to strive for. You'll see.

Curiosity People have a variety of things to investigate and to think about.

Honor People feel proud that their values are reflected in how they work.

Acceptance Colleagues approve of what they do and who they are.

Mastery Their work challenges their competence, but it is within their abilities.

Power There's enough room for them to influence what happens in the world.

Freedom People are independent of others with their work and responsibilities.

Relatedness People have fulfilling social contacts with others in their work.

Order There are enough rules and policies for a stable environment.

Goal Their purpose in life or need for direction is reflected in the work.

Status Their position is good and is recognized by the people they work with.



They are

just words!

Don't take the labeling and naming too seriously. Many scientists have researched

human needs and desires, and every time, they come up with different categories, believing that their model is the best. The only thing we know for sure is that nobody can come up with a model that everyone else agrees on. Allowing multiple viewpoints is often the safest approach, and taking the average perspective across different observers usually gives you a decent approximation. That's what

I have tried to accomplish with the CHAMPFROGS model. Use it as you see fit.

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Curiosity

Honor

Curiosity is the first of 10 meaningful moti
Religious institutions and the military are
vators that can help you take your workers
typical examples of organizations known
from merely (extrinsically) motivated to
for their sense of *honor*. Honor is about
(intrinsically) engaged by the work, the
loyalty to a group of people and integrity of
people, and the organization. Curiosity is

one's behaviors according to a moral code

about the joy of learning what is true or

or a system of values.

false and understanding how things work.

Laboratories, research centers, and universities are the kinds of or

While writing this chapter, I was reading a fantasy novel in which a

ganizations that thrive on people's innate drive for exploration. For soldier was struggling with an ethical decision. His personal need for such organizations, curiosity is the reason they exist.

honesty and commitment required him to betray his friend to an enemy. And sure enough, that's what he did. Remaining true to his values Human beings are inquisitive creatures. For example, research has weighed even heavier on him than a longtime friendship.

shown it is more effective to motivate children with stories about

[strange animals than with simple colorful stickers.](#)⁹ Invention and ex

We all have stories of conflicting priorities in our personal lives, where

ploration are wired into our brains. As children, we didn't know that we have to balance values such as honesty and friendship, rationality we were being creative. We just knew it was exciting for us to try new and kindness, or ambition and tranquility. Literature is riddled with

[things.](#)¹⁰ And this didn't stop when we grew up. Curious workers will such examples, not necessarily limited to friendships, religions, or show up at work to learn stuff, no matter whether they are rewarded wars. Self-discipline is often mentioned as a requirement for a person for it or not. The knowledge they acquire is their reward.

to keep a sense of honor. For example, I never negotiate individual discounts with customers for my services because my sense of fairness As a manager, you can use this motivator in your organization by ensays that any discount I offer to one customer should also be offered suring that discovery and invention are an essential part of everyone's

to others in similar circumstances. Therefore, my honor and self-disjob. Get people to try new tools, experiment with different processes, discipline require me to have rules for discounts or else I feel guilty for and invent their own solutions to their team's problems. Granted, this not being fair to people.

could be harder to achieve for an accountancy firm than for a laboratory group, and some people are by nature more curious than others. Can you apply this motivator in your organization? Of course! Devel

Nevertheless, I believe that any organization can become a research op and grow a clear code of conduct or value system in the organizacenter for its own products and services.

tion. This will motivate people who see their own values reflected in the organization's values. And there is no need to start a religion or a war to achieve this.



Mastery

When I researched the need for *acceptance*,

Consultancy companies full of specialists

TORSA

the main theme I found was people's intrin-

come to mind when I think of organizations

TIV

sic need for self-esteem and a positive self-

driven by *mastery*. But one could also think

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image. It is something that all of us share. As

of law firms, martial arts schools, and other

children, we need it most from our parents;

organizations that, in order to survive, de-

VING

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later in life, we need it from our partners

pend on growing people's level of compe-

and peers.

tence in certain disciplines.

Interestingly, the need for acceptance is often associated with people It is interesting to note that Professor Reiss considers mastery to HAPPINESS

who are *lacking* in their sense of self-worth. It is said that such people be part

of the need for power in his 16 basic desires theory because are motivated to purposefully avoid conflict and criticism. They fear power motivates efforts to pursue challenges, ambitions, excellence, FOR

rejection and will do anything to seek the approval of parents, part-

[and glory.12](#) However, Professors Deci and Ryan consider competence

GING

ners, or peers. Given this background reading, it would be tempting to such a crucial human need that they promoted it as one of only three say that, for such people, acceptance functions as a demotivator and motivators in their self-determination theory. I prefer a position in MANA

not as a motivator. It is the lack of it that drives them toward certain the middle.

behaviors.

Mastery is about the challenge behind the work that people do. Some

However, we don't need to refer to clinics and self-help groups as people are perfectly happy with easy tasks that come with good com-the primary examples of organizations that have acceptance of peo-

pensation. Others have the need to feel challenged so that they can

ple built into their systems. It is insufficient only to repair people's grow their skills and make progress toward excellence. For example, self-esteem. We can also boost it and strive to have a diverse group the pursuit of mastery is the reason that all my projects are time-of people feeling great about themselves, regardless of their back-

limited and different from the previous ones. Doing more of the same

ground and their physical or mental nature.

is just not challenging enough for me.

Diversity of workers is the key to innovation in organizations.11 As a As a manager, you should make sure that repetitive and boring tasks manager, you can do more than just be respectful toward minorities. are stripped from your business model and either automated or You can ensure that people get hired

because they add distinctive handed over to another business where people know how to thrive qualities to the social system. You can ensure that teams are organ-on that kind of work. You are responsible for offering people work

ized in such a way that diversity in all forms is not merely tolerated that feels challenging to them but is still within their abilities.

as being acceptable, but embraced as being crucial. I can imagine no

better way to motivate those who feel the need to be accepted for

who they are.



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Power

When I think of *power*, the first types of or

Words and

ganizations that come to mind are political

parties, secret service agencies, and govmeanings

ernment departments. In literature, power

is often associated with dominance behavior, leadership, and imposing one's will on

I realize that the word *influence* might

others. Supposedly, the need for power is

intrinsic to humans and animals because of our desire to survive. Rebe less controversial than the word searchers have even linked the craving for power to other addictive

behaviors, such as [sex and cocaine](#).¹³

power. Likewise, people might prefer

Personally, I prefer to see power as the need to have *influence* in the

autonomy over freedom, purpose over

world, which feels like a more positive and enlightened description.

Many would agree with me that there is little evidence of His Holi

goal, or competence over mastery. Howness the Dalai Lama showing dominant behavior and imposing his will on others. And yet, he is considered to be quite an influential figure.

ever, it is important to realize that

Therefore, he has power. Power is about being able to change things

around oneself and make a difference in the world. Unlike Reiss, I bewords matter less than meaning, and lieve it is quite different from mastery. Artists may care much about

personal excellence and yet have little interest in the number of peopeople should have the freedom/auple whose hearts and minds are moved or changed with their work.

These would be people seeking mastery, but not power.

tonomy to construct their own mental

It is no coincidence that the word power is encapsulated in the word

models of motivation. Besides, **CHAempowerment. As a manager, you can set up the environment in such a way that people feel empowered to take responsibility and become**

CIAROPS doesn't resonate as well as

leaders and change agents, without having to ask someone's permission. A stifling hierarchy and bureaucracy will be demotivating for CHAMPFROGS. All models are wrong,

people with a high need for power. In a social network, people are

empowered by being connected to the network. Power as empowerbut the one described in this chapter is

[ment means facilitating this connectedness.14](#)

certainly useful.



205

Freedom

Relatedness

Without a doubt, start-ups and other en-

If freedom is appreciated by introverts,

TORSA

entrepreneurial organizations are among the
then *relatedness* is surely one of the main

TIV

best examples for the motivator of *freedom*.

motivators among extroverts. Again, I'm

MO

I have always liked running my own busi-
just guessing. But some people thrive on so-
nesses, and when I was employed I pre-
cial contacts with other people. They need

VING

MO

ferred small organizations. Why? Because
family or friends to chat, play, and have a
they made me feel freer.

good time together.

Independence and autonomy are well-known motivators for many Do not
confuse means and ends when people like hanging out with HAPPINESS

people in the world. It's just a hunch, but I think introverts are more
others. There are those who socialize with peers mainly because of likely
to be motivated by independence than extroverts. (I dare say it the effect
it has on their position in the social network. Such people FOR

is the most important motivator for me!) People who are motivated could
be motivated by power or status, not by relatedness. With reGING

by freedom usually dislike being dependent on others. They don't
latedness, we clearly refer to those who like socializing for the sake of
want assistance to get things done and would rather do everything not
being alone.

MANA

themselves. It has happened many times that people offered me help
with something, but asking for help rarely even crossed my mind!

One could say that every organization lends itself to having this
motivator built in because every organization consists of people

Like power, freedom is closely connected to empowerment of working
together. However, the motivator might be more difficult workers. In a
hierarchical setting, there is an implied dependence of for virtual
companies compared to traditional ones. And remote, employees upon
management in which employees feel they need au-distributed teams will
find it harder for their team members to so-

thorization for just about anything they wish to do. This is the reason
cialize than collocated ones. (It is ironic that I'm writing this while I left a
company of 5,000 people after just one year.

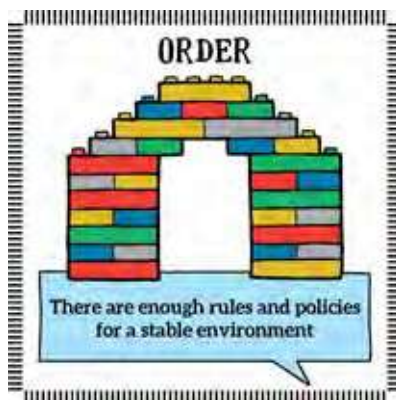
skipping a hangout with my remote team. I decided I needed me-
time more than we-time today.)

Freedom is also about empowerment in the network. People must
feel free in the self-organizing teams in which they are working. What
can you do as a manager to have relatedness motivate your When some
team members insist that all decisions are made col-people? My thinking
is that social interaction between them happens

laboratively and that rules are necessary to keep order in the team,
easily, unless it is somehow blocked by the environment. For example,
those who are motivated by freedom may feel that their environ-it's
easier for people to socialize in a relaxed, open office space than

ment is suffocating them.

in a noisy room full of cubicles and corner offices. Likewise, you can take care that the work environment does not stop at the exit but that there is plenty of opportunity for people to engage beyond the company's office walls. And with remote teams, there are also many options for chat and play. Your challenge is to give workers a good reason not to skip their team hangouts! As I just did. Oops.



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Order

Goal

All human beings need a sense of *order*

Charity organizations. Those are the first and *certainty*. This is wired into our brains.

groups that come to mind when I think of

There's a reason that managers and leaders

the motivator of *goal* and *purpose*. Many

often complain about employees resisting

people want more out of their work than

change—people mostly like to keep things the

just a job or a career. They would like their

way they are. (Conservatism is the political

work to be part of their calling. This nice ideology based on this intrinsic human need.)

ly coincides with Maslow's hierarchy of

needs, which says that self-actualization is the fifth and highest level

The typical organizations that we may associate with certainty and of intrinsic motivation. The first two levels, physiological and safety stability are fast-food chains and traditional factories. Any organization needs, correspond to having a job, while the third and fourth levels, zation that needs to run like a clock, where employees know what is belonging and esteem, correspond to having a career. An ordinary job going to happen when and who is responsible for what, is an organization or an exciting career may be what people had before they found their zation that thrives on order.

calling. (It took me 20 years.)

In an agile context, with organizations facing accelerated change and Not only charity organizations have idealism woven into their rain more frequent disruption, it is not easy to offer people a sense of person d'être. Great organizations can (and should) have an inspiring taint. With the average lifetime of companies shrinking every year, purpose that goes beyond making money and pleasing stockholders, *nothing* is certain for anyone.

customers, or other stakeholders. If you can't define the why of your

company, the rest doesn't really matter.

So, what can you do to satisfy people's need for order and stability? The solution is in the details. Job security is an illusion, but we motivate your employees by clarifying what the company stands for and what it tries to achieve in the world. People appreciate recognition; people don't like working at a different desk every day, so giving them that their personal goals are reflected in the work they do. For them the option to have a preferred desk if they so desire. Many examples, the purpose of my company is to help people be happier in people don't like variable pay, so offer them a monthly income that their jobs. This motivates my fellow workers because the purpose is stable (even when they are freelancers). Many people dislike not resonating with their own goals. In some cases, the company's purpose knowing what is expected of them, so make sure you agree on a purpose is the reason they joined!

work profile or job description, preferably that they created themselves. The future of the company might be uncertain, but you can work to decrease the number of unpleasant surprises that people

are confronted with every day.





Status

When I think of *status*, I think of sports, fashion, royalty, and exclusive networking clubs. And being listed on three Top 50

[leadership lists on Inc.com](#). Right. There is

a good reason many people want to decorate themselves with awards, titles, badges,

brand names, silver linings, and golden

medals. It increases their social standing. The pursuit of wealth is in many cases an indicator of someone's desire for status, but there are other ways of earning status, too.

Privilege, recognition, and exclusivity come in many forms. The vertical structure of traditional organizations is an obvious candidate: those at the top decide who else is allowed to climb higher on the

corporate ladder. The desire for status leads to long job titles, favored

parking spaces, spacious corner offices, and sometimes even a special elevator for upper management. But we can find status in social networks as well. Apart from climbing upwards in hierarchies, people also enjoy accumulating connections in networks. I cannot deny checking my Klout score every now and then, just to see how well I'm

doing as an influencer compared to my peers.

As a manager, you can nurture people's need for status by offering them opportunities to make progress in the directions that matter to them. But you should aim for company-wide recognition of people's achievements in a fair and transparent way. The social standing of employees should correlate to their capabilities for production and

innovation, not their talent at playing political games.

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Manage the System

If people worked for years in a system that essentially relied

It is the goal of a firm to motivate people to be productive together. on targets and pressure from above to prevent them from Therefore, motivation is a systemic property of the firm. Sadly, in

many organizations, workers are motivated only by their financial slacking off, then slacking off is exactly what might happen compensation, but there is no real engagement with the work and the people because other intrinsic motivational properties are missing.

when bosses and targets are removed all of a sudden.

Managers must seek ways for

Frédéric Laloux, *Reinventing [Organizations](#)*¹⁵

curiosity, honor, acceptance, or any

Engagement of people should be woven into the fabric of the organization in a systemic way. This means you shouldn't waste your time of the other motivators to become

trying to motivate individuals. If you do, you're operating in failure mode. You won't be able to keep that up indefinitely. Use your time systemic properties of the firm.

to understand why the system, the organization itself, is not engaging them. That means, even with the simplest, most mundane kinds of jobs, organize the system in such a way that people find some of their

Managers must seek ways for curiosity, honor, acceptance, or any of 10 intrinsic motivators satisfied. Manage the system, not the people.

the other intrinsic motivators to become systemic properties of the firm. That means, even when you're not paying attention to the system for a while, the system's properties are still affecting the engagement Being an engineer or a carpenter is not in itself enjoyable.

and behavior of workers. The proverbial carrots and sticks (incentives and punishments) don't fall into that category. They may work for you, But if one does these things a certain way, then they become but they require your continuous attention to have them be effective. And before you know it, the business fails to work without them. intrinsically rewarding, worth doing for their own sake.

Mihaly Csikszentmihalyi, [Creativity 16](#)

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Employee Engagement

TORSA

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Programs (Don't Work)

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**Considering that engagement of people should be a built-in property
es, yes, I know. Technically, it is incorrect to say that “someone is
of the organization, you now understand why employee engagement
programs oftentimes don’t work.**

HAPPINESS

Most so-called employee engagement programs

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are misbegotten, unwieldy, ineffective rolling

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**caravans of impractical or never-going-to-beimplemented PowerPoint
presentations.**

Les McKeown, “A Very Simple Reason

Employee Engagement Programs Don’t [Work](#)”¹⁷

© 2013 Jurgen Appelo

**Almost all employee engagement programs focus on specific activities
undertaken by managers or consultants to directly “motivate”**

**people, using team-building exercises, outdoor activities, charity other
motivators. You will most certainly not find a business leader
contributions, or games and parties. But no amount of motivational or
human resource manager spending a good chunk of time keeping
activities can hide that the system itself is not engaging. And—admitthe
workforce motivated with an employee [engagement program](#).¹⁸**

ting that this paragraph might be bad for my annual revenue—hiring a

What you will find is that people are engaged because of the work and motivational speaker is not going to make a difference either. It would the people around them.

be the equivalent of hiring a clown at a funeral to do something about all those sad faces.

And that brings me to the only genuine employee engagement program that I am aware of: figuring out how people in your organiza

If you check any organization where people are genuinely happy and tion are intrinsically motivated and changing the organization in such engaged, you will find that the work and the organization trigger their a way that people's intrinsic needs are satisfied by the system. You intrinsic needs for curiosity, honor, acceptance, mastery, or any of the could start by playing the moving motivators game.



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Moving Motivators

The moving motivators exercise is played by arranging 10 motiva

• There is no right or wrong in this exercise. Everyone is wired tional cards in order of importance (from a personal perspective) differently. Some people are motivated by freedom, others by

and then moving them up or down depending on a person's context, relatedness. The beauty of the game is that it reveals these usually their work environment. By shifting cards to the left or to the differences and makes people aware that we often misjudge right, the player indicates that specific motivators feel either more or each other by assuming that everyone is just like us. (I have less important than others. By moving cards up or down, the player assumed many times in my life that freedom is as important for indicates that a change in the environment is having either a positive other people as it is for me. I have learned that I was wrong.) or a negative effect on motivation.

- There is often some disagreement about terminology, and that's For example, I consider *freedom*, *status*, and *curiosity* to be my most OK. Even the scientists don't agree with each other. The meaning important motivators, while I find *acceptance* and *relatedness* the least of power and status for me can be slightly different from your important. When I quit my daytime job a number of years ago, my interpretation of those words. What is more important is that the *freedom* and *curiosity* motivators (important for me) went up, because cards help us explain how we feel and what we need.

I became independent and was able to explore a new work life. My *relatedness* motivator (less important) went down, on the other hand,

- Many things are context-specific. For example, in some

because I left many nice colleagues behind. Still, the net effect was positive overall. It was a good decision.

than ordering them from left to right. Some people prefer prioritizing things vertically instead of horizontally. And the

The moving motivators game can be played by one person, as an observer has an influence as well. It makes a difference whether personal reflection tool; by two people, in a one-on-one setting; or you play the game with your spouse, your best friend, your even by a team of peers, as part of a retrospective or team-building colleague, or your manager!

exercise. I have facilitated the exercise many times with hundreds of people all around the world. The results have always been quite

- The importance of motivators may be different depending on inspiring. Here are some of the usual takeaways for the players: whether work environment or personal life is the context of the exercise. Likewise, some motivators may become more or less important to a person, depending on changing circumstances.
- Last but not least, because results among players are always different, the game highlights diversity and alternative perspectives. And that is always a good thing.

easier

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The moving motivators game makes it a lot easier to ask

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The moving motivators game also offers a great opportunity to assess the impact of an organizational change. How do people feel VING

the question, “What motivates you?” For many people,

about an upcoming merger, a change of department, a job promotion,

MO

a new business strategy, or a new team of colleagues? With moving

this question is itself too vague and abstract to answer.

motivators, you can find out how the change affects people’s intrinsic

motivation. In many cases, you will find mixed results. Some motiva-

But when they have 10 cards on a table, with nice pictors go up, others go down. Work life is rarely simple!

HAPPINESS

FOR

tures on them, and they are asked to move them around

Finally, many people find the game itself motivating. It triggers peo-

GING

ple’s need for curiosity, relatedness, and order. Beyond your own

spatially, left to right and up and down, a discussion

team members, you may even want to consider including stakeholders and management, if possible.¹⁹ And no matter the exact layout about motivation suddenly becomes a lot easier.

of the cards on the table, people usually find the discussions during and after the exercise the most valuable.²⁰

As managers, we ask people what motivates them because we want to answer the question, “What’s in it for them?” The goal of the organization is to engage people for productivity. We seek proof that this is indeed happening. And if we can’t find any evidence, we have work to do.

The work we do is about introducing experiments with good practices.

The goal of the organization

is to engage people for productivity. We can boost people’s need for curiosity and exploration with celebration grids. We can satisfy their sense of honor with value stories.

A feeling of acceptance may be achieved with personal maps, while

mastery could be nurtured through feedback wraps or a metrics productivity ecosystem. To increase power, freedom, and order, we can obviously

introduce delegation boards, while relatedness and status may be

We seek proof that this is

satisfied through the use of a kudo box. Finally, a worthwhile goal is evidently communicated with a culture book. But those are just my

indeed happening.

suggestions. You may know better alternatives.

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Engage!

I am writing this conclusion on a Friday night. Many people will be Not me. I feel happy that I signed the contract for the publication of having dinner in a restaurant or watching a movie in the cinema, and this book just an hour ago, which means *more* work for me: researching, I'm sure that a good number of them will be glad that their work week writing, editing, reviewing, illustrating. . . . I'm rubbing my hands eagerly is behind them, because *finally* they have time for leisure activities in anticipation of the development of my production and marketing and enjoying their lives!

plans. I'll probably do that on Sunday. My work-life is just too engaging

Discovering motivation

"I used moving motivators with various teams and com One manager and his team learned more about their prob panies. The game helps every team member to reflect on lems and about the needs of one another, which had been

[their] own drivers for motivation and assess their current hidden for years but were uncovered by playing moving moti status and necessary changes to further increase their vators and sharing their observations. Another team experi engagement. They share their learnings, and this new level of ended the team's diversity and learned more about everyone transparency helps teams to create a common understand

involved, which led to funny new ways of interpreting past

ing, increase trust, and discover new ways to collaborate.

situations. 'So, *that's* why you always ask for more documen

tation!' (the need for order) and 'Therefore, you connect with

One team member figured out that another environment so many people

outside our team' (the need for relatedness).”

would better suit his needs, which meant relocating and

starting in a new company—OK, that was a tough outcome. Sebastian Radics, *Germany*

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TORSA

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to let things go for more than a day. (This also means that I easily go for
What about your workers? Are they looking forward to the next a stroll
in a park on a Tuesday afternoon, go shopping for new shoes on
workday? If not, what's preventing them from feeling intrinsically VING

MO

Wednesday morning, or spend some time producing vacation videos
motivated? Why is your system not working for you? As a manager,
during my work week. There is no work-life balance for me, because
that's *your* job. Find out. Engage!

work and life are one big blur. It is work-life fusion.)

HAPPINESS

FOR

Moving motivators as a hiring technique

GING

“I was working in a small company when my boss approached I got two
takeaways: The first was to compare the intrinsic MANA

me and asked me to help expand our team by hiring new needs and
values of the candidate with what was most im-members. Although I had
never been on the interviewer's portant from the company's perspective;
the second was side of the table, I gladly accepted the challenge. I had

read how his or her needs and values would change when he or from great sources that the people you hire are the people she moved to our company. We were then able to under-stand that will grow your company's culture, so I needed to focus stand if that person was a good match for our company.

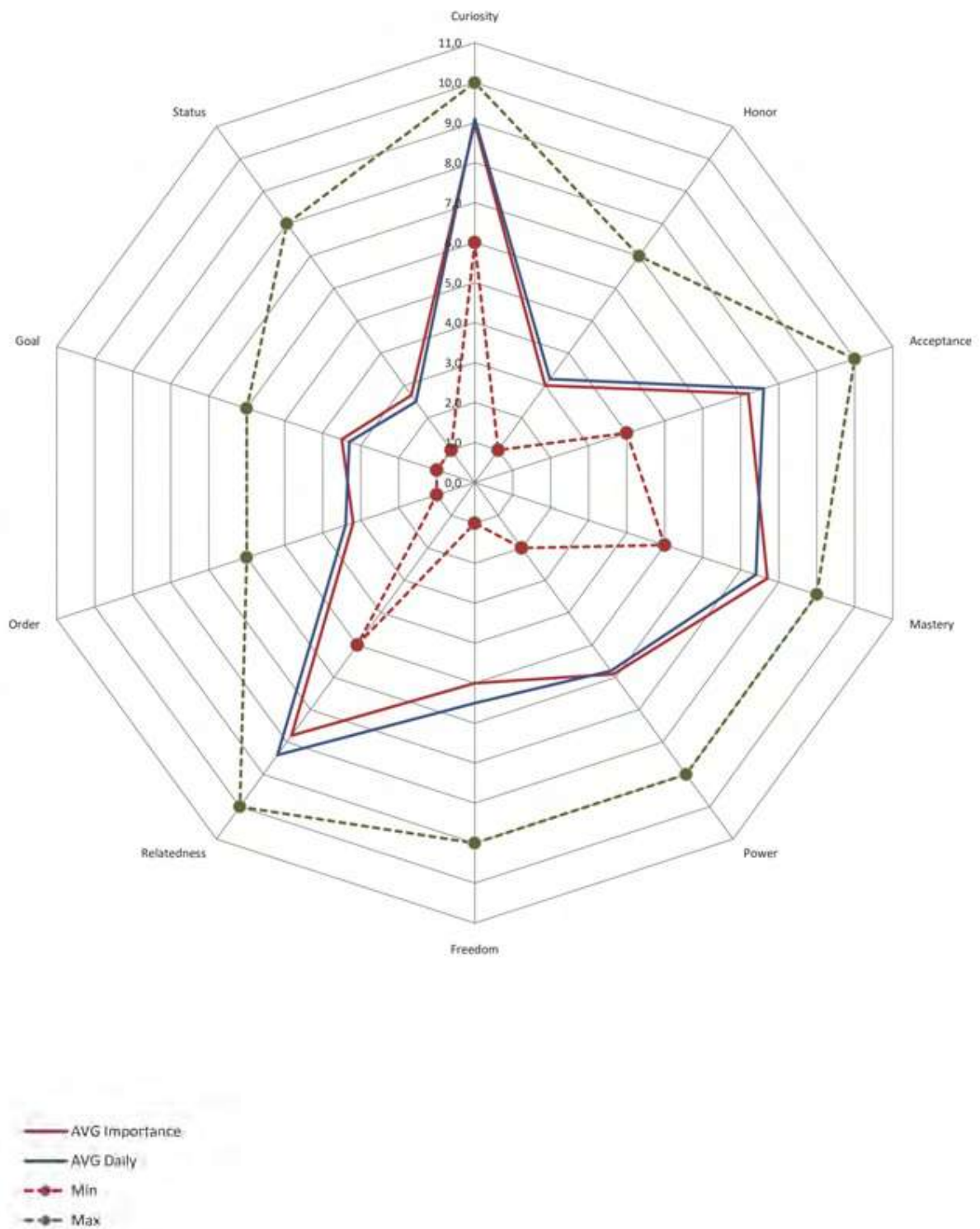
on values. But how?

I don't know if I will ever be asked to work in HR, but

One morning, while I was taking a shower (the most inspired at least the people that we hired fit well with our commoment in my day), I realized that I had the perfect tool to do pany's culture."

this: moving motivators. So, I decided to use it during my interview sessions with the job candidates by asking the following question: How would you value your move to this company?

Gerardo Barcia Palacios, *Spain*



Now it is time for you to start experimenting with moving motivators.

- 1. Download the free PDF with the 10 motivational cards from [the Management 3.0 website \(m30.me/motivators\)](https://m30.me/motivators) and ask your kids or your neighbors to cut them for you.**
- 2. Find someone to do this exercise with: your spouse, your colleague, your best friend, or the pizza delivery guy.**
- 3. Be the first one to start so that you gain trust and set a good example. (The other person starts by being an observer.) Order the cards horizontally. What's most important to you goes on one side; what's least important goes on the other side; the rest end up somewhere in the middle.**
- 4. Now imagine some kind of change or event that would have an impact on your motivation, such as moving to a new home, changing workplaces, getting a job promotion, or extending your family.**
- 5. Imagine the impact of this change on your 10 motivators. When the impact is positive, move the card up; when the impact is negative, move the card down.**
- 6. While you're moving your cards left and right and up and down, tell the other player what you're doing and why. Just try to think out loud, describing what the words and pictures mean to you and why you're moving them.**
- 7. When you're all done, switch roles. And then, evaluate!**

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Tips and Variations

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It helps some groups to start with

VING

a brief discussion of the 10 motiva-

We collected the outcome of all

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tors to get a narrower understand-

team members and we depicted

Always plan to have a discussion

ing and interpretation of each.

the results in heat maps, showing

after playing moving motivators.

motivation across the whole team.

That's where the most value is.

HAPPINESS

FOR

When playing moving motivators, it

GING

helps some people to think out loud

I used the game to guide people's

Our team loved creating a radar

by talking to a (silent) observer.

emotions when one of them

graph with calculations of the

MANA

was promoted to team leader. It

variation and differentiation per

helped the others to express and

card. That was really motivating

resolve feelings of uncertainty and

for them. ;-)

For many players, it is important

disappointment.

to know the context. Try to assess

motivation according to a specific

change in a specific environment.

We have the results of our team

Ask people questions, such as "is

on the wall, so that we can always

your outcome different from what

point at it during a team meet-

it was a year ago?” and “what do you
ing and say, “That will or will not
You are free to leave out cards (or
want it to be three years from now?”
motivate us!”

maybe even add some others) in
any way you like.

As a personal coach, I played the
Find specific tools and more ideas
game with a CEO who was wonder-
at m30.me/moving-motivators.

Take a picture of the results so you
ing for months if she should have
can look back later on, and maybe
children. Amazingly, the game
even share the outcome with others.
helped her to reach a decision!



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<https://www.flickr.com/photos/imagesbywestfall/17632076693>



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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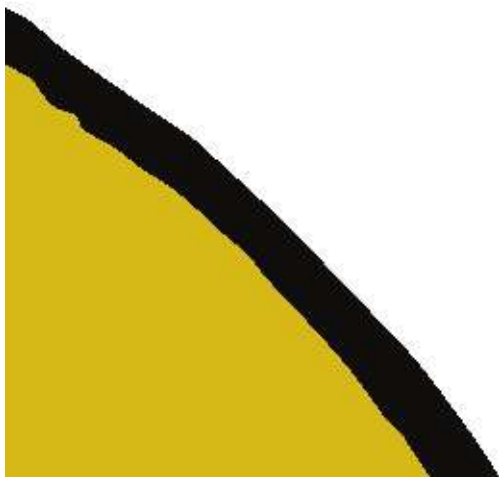
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





11

happiness door

Aim for a Happier Organization

218

Some people believe that happiness is something they will achieve when they are famous or successful, or when they acquire enough money. But research tells us that happiness is more a decision than a destination.

**And it is something you can
simply decide to achieve
in the workplace as well.**

**Happiness is not a
Apart from reviewing and
station you arrive
implementing the 12 Steps
at, but a manner
to Happiness, I suggest that
of traveling.**

you measure happiness

Margaret Lee Runbeck,

American author

in a playful way with a

(1905–1956)

happiness door.





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DOOR

HAPPINESS

Some of my

memories

HAPPINESS

FOR

A book called *Managing for Happiness* would

I remember the exclamations of joy very successful April Fools' prank on

GING

not be complete without a chapter specifical-

ly dedicated to the happiness of workers. It is

and appreciation for the courseware some team members that had them

MANA

a topic much discussed and often misunderstood. This makes it all the more relevant to

that I spontaneously (and without puzzled and laughing for a whole day.

give you a quick overview of what researchers have figured out about happiness and how

permission) redesigned at the first I remember playing Settlers of Catan

we can apply their findings to the workplace.

It all starts with a simple thought exercise.

company where I worked after coming in the basement of our office on

Think about this: Can you recall some happy

pleting my studies. I remember rac

“Games Night,” a regular event that

moments that you enjoyed when you were at

the office, doing work, or just spending time

ing around with reindeer and snow was organized by my colleagues. I’m

**with your colleagues? Are there any memories from your past that
generate a warm**

scooters (not simultaneously) with glad to say I have plenty of memories

feeling or a smile on your face? Go ahead,

think about it for a moment. I’ll wait.

my coworkers on a day out in north of times when I enjoyed doing work,

Dum-tee-dum-tee-dum . . .

ern Finland. I remember winning a getting credit for my work, or just

Did you find something down in the basement

business plan contest and having having fun with my colleagues during

of your brain? I’m sure you did! If not, keep

reading. This chapter will show you how to

**pictures taken by journalists of me or after work. I assume you have
some**

generate some more happy memories.

and my team. I remember playing a cherished memories yourself as well.

220

Engagement or Satisfaction?

Several times in this book, I have referred to low engagement levels of engaged and productive for the organization, we should be wary of the people at work. According to Gallup's *State of the Global Workplace*, one problem of slacking off: being not very productive and focusing only on one's own needs. Sadly, I have personally known and seen quite a few of people worldwide are actively engaged, while 24 percent are actively more of these cases.

disengaged. And the rest of the workforce finds itself in a depressingly

large no-man's-land somewhere in between.¹ [In earlier chapters of this](#) So, where does happiness sit in this picture?

book, we've seen various practices that can increase people's engagement levels. However, employee engagement is only one part of the Happiness is most commonly defined as a mental state of well-being story.

supported by positive or pleasant emotions ranging from relaxed contentment to intense enjoyment. This means that happiness can be a

Despite *engagement* levels being quite low globally, *satisfaction* levels long-term positive feeling and attitude that has nestled in the subconscious appear to be quite high. According to a LinkedIn/Adler Group report, a scious of your brain, but it can also be seen as a short-term

burst of joy whopping 72 percent of employees worldwide feel either somewhat or induced by oneself or by the environment.

very satisfied in their jobs, while only 14 percent say they feel somewhat

or [very unsatisfied](#).² This leads us to the fascinating, paradoxical conclusion that many workers are quite satisfied with their work but at the same time not very engaged. How is that possible? Apparently, worker who, despite a positive long-term outlook, feels unsatisfied with engagement and worker satisfaction are not the same thing.

sion that many workers are quite satisfied with their work but at the nevertheless feels not engaged in the job, and I can imagine a similar same time not very engaged. How is that possible? Apparently, worker worker who, despite a positive long-term outlook, feels unsatisfied with engagement and worker satisfaction are not the same thing.

a specific work environment. This lack of engagement or job satisfaction will probably have a temporary effect on the person's short-term hap

Engaged workers feel motivated to be productive in the organization. piness level. Likewise, an unhappy person who has negative feelings in They try to deliver their best possible work and keep all their stakeholdgeneral may nevertheless feel engaged in the job and satisfied with the ers happy. But when an engaged worker is not also a satisfied worker, we work environment, temporarily. But the person's long-term unhappishould wave a red flag for a possible burnout situation: giving it one's all ness will probably make itself felt across both engagement and satisfacbut completely ignoring one's own needs. Fortunately, such cases are rare tion levels at some point.

and I've only ever known one close friend who fell victim to a job burnout.

As always, things are complex. Engagement, satisfaction, and happiness

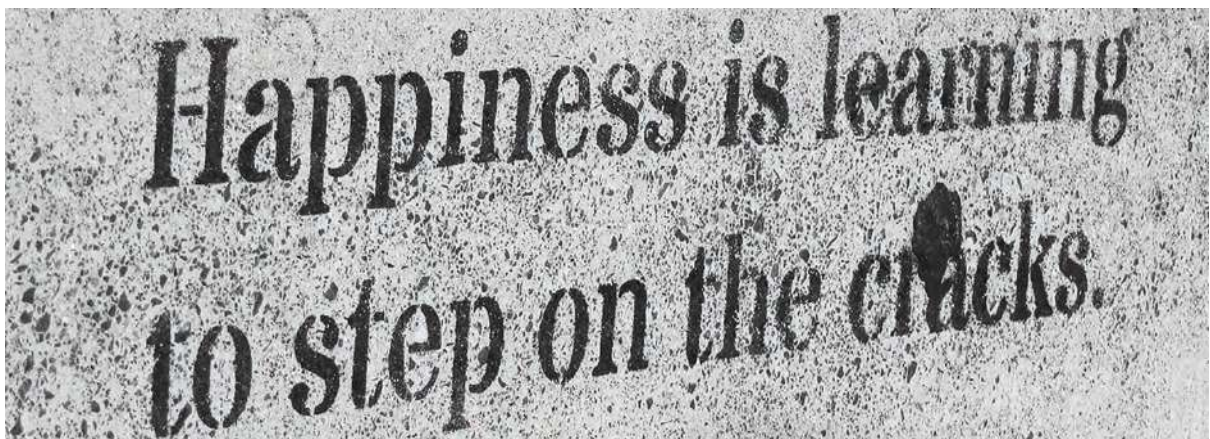
By the same token, a satisfied worker is not necessarily an engaged are hard-to-define concepts that are correlated but not fully overlap-worker. Satisfied workers feel content in their work environment be-

ping, and everything is connected to everything else.

cause it satisfies all or most of their needs. But when the person is not

Engagement, satisfaction, and happiness are hard-to-define

concepts that are correlated but not fully overlapping.



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Happiness First,

Happiness is a decision,

DOOR

Success Later

For many people, happiness is an end goal.

not an outcome

But researchers tell us that happiness has

much more to do with a person's state of

HAPPINESS

It is best when people feel happy, in any organ mind than with the person's success in life. Therefore, despite what most people think, nization, regardless of the type of work and Quite often, happiness is the precursor to happiness is the means and not the end. The the kind of industry. Happiness, engagement, success, not merely the *result of it*.⁴ Granted, smart thing to do is to allow happiness to HAPPINESS

and job satisfaction are intimately entwined, successes can contribute—temporarily—to take *us on a path to success*.⁵ We should all and it's a fact that happy workers are more a boost of your short-term happiness. But reserve some time to take concrete steps to FOR

productive than unhappy *ones*.³ But what if you aren't enjoying long-term happiness be happier workers. In the wake of happiness, GING

can a manager do to contribute to the happy already, it is less likely you will achieve those progress and success are more likely to folness of workers?

successes in the first place!

low. Happiness is a decision, not an outcome.

MANA

People want to be happy, and all the other things they want are typically meant to be means to that end.

Daniel T. Gilbert, *Stumbling on Happiness*⁶

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Twelve Steps to Happiness

I've said it before: I love doing a bit of research. I remember doing this particular research when I was enjoying a vacation in Buenos Aires, Argentina. While in a happy mood, I thought to myself, "What are the things, according to science, that usually make people feel happy?" So, while sipping a drink or two, I spent a few hours browsing the Web for scientifically backed articles on happiness, and I noticed that the same things were mentioned again and again across many articles and research reports. I ultimately arrived at a list of 12 items that I refer to as the 12 Steps to Happiness because I want to emphasize that happiness is a path, not a destination. There are no keys, roads, or flights to happiness because happiness is not some place where you can arrive. It is what you experience when you take steps in the right direction.

Here is the list of 12 steps. As a manager or team member, take each one of these into account and try to apply them wherever possible.

Your aim is not only the increased happiness of your colleagues but also more happiness for yourself. In fact, just trying to contribute to other people's happiness is almost guaranteed to contribute to your own at the same time. We all deserve a bit of happiness each day.

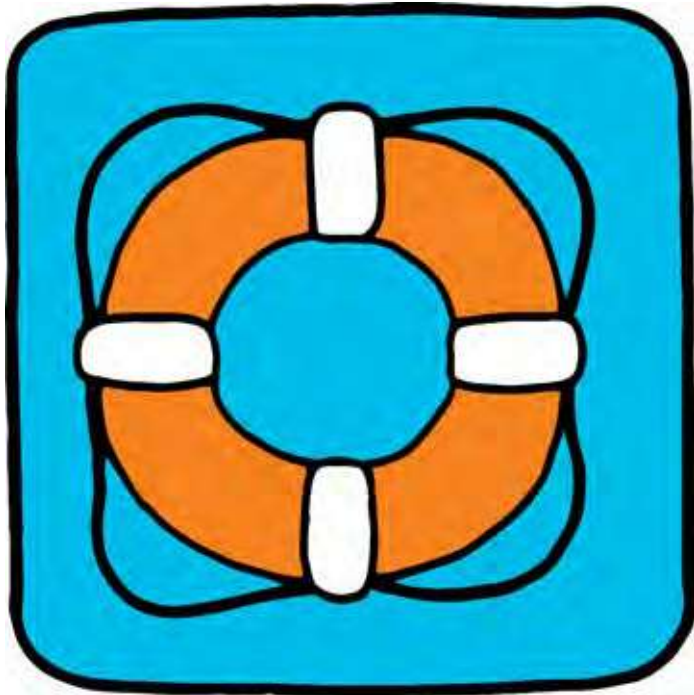
The very good news is there is quite a number of internal circumstances . . . under your voluntary control. If you decide to change them . . . your level of happiness

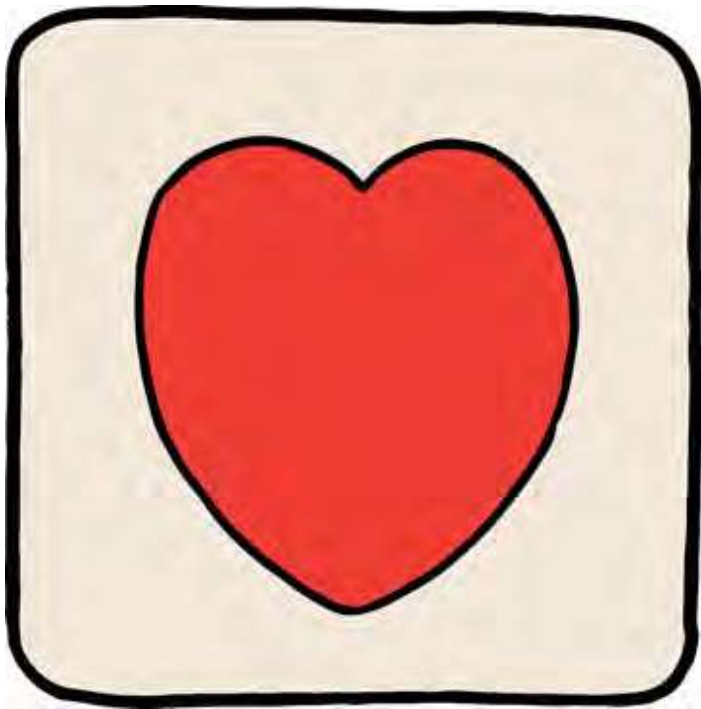
is likely to increase lastingly.

Martin E. Seligman, *Authentic Happiness*⁷

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DOOR

HAPPINESS

HAPPINESS

FOR

GING

MANA

Thank your coworkers and always try Give a little present to a team member or Help someone out who needs a bit of

[to be appreciative.8 Showing](#) your gratitude make it possible for them to offer each other assistance or give team members time and to colleagues and appreciating who they are gifts because gifts make both receivers and space to lend each other a hand because and what they do won't cost you more than senders happier, and happier people send altruism makes [people feel good.10](#) For writing them a simple note or giving them a [more gifts, in an endless virtuous cycle.9](#) You example, you can institutionalize people thumbs up, warm handshake, or honest hug. can make it as simple as the introduction of helping each other out with regular pair I

have “thank someone” as a daily recurring kudo cards (see Chapter 1), incidental gifts working sessions (pair coaching, pair development on my task list. My most recent thank-around birthdays or anniversaries, or more opening, pair writing, or even pair managing).

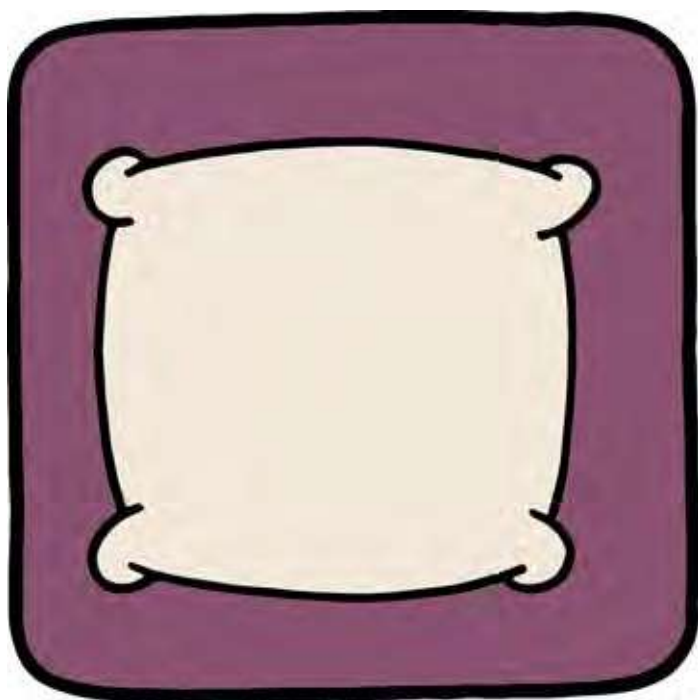
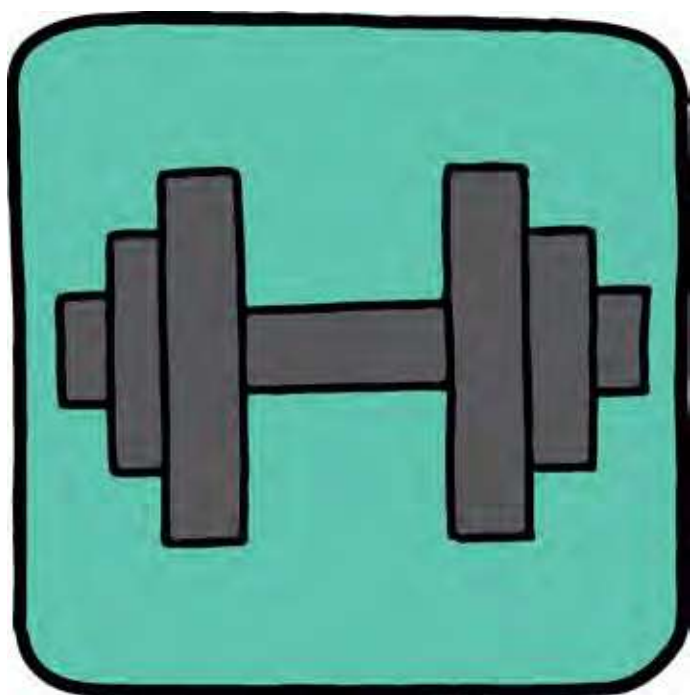
you note was for a team member who contributed gifts as a one-per-year celebration, You can invite workers to become mentors convinced me to join an online meeting, even perhaps around Christmas time or another or coaches of their peers. And you can use though I actually wanted to be alone to think national holiday. The best gifts are unexpected one-on-one sessions to both ask for help and write. I truly appreciated her attempt to help, though. I recently brought my team member and offer help, in two directions. I still find keep me involved. I’ve heard of other teams bring a crunchy cookie spread from Belgium. It’s amazing that so many people volunteered enjoying a regular “thank you round” where they loved it. They even posted photos of it to help me out with this book by reviewing everyone is invited to explicitly thank one on Facebook. Warning! Be careful to always draft or submitting their stories, even if I other person at least once per week.

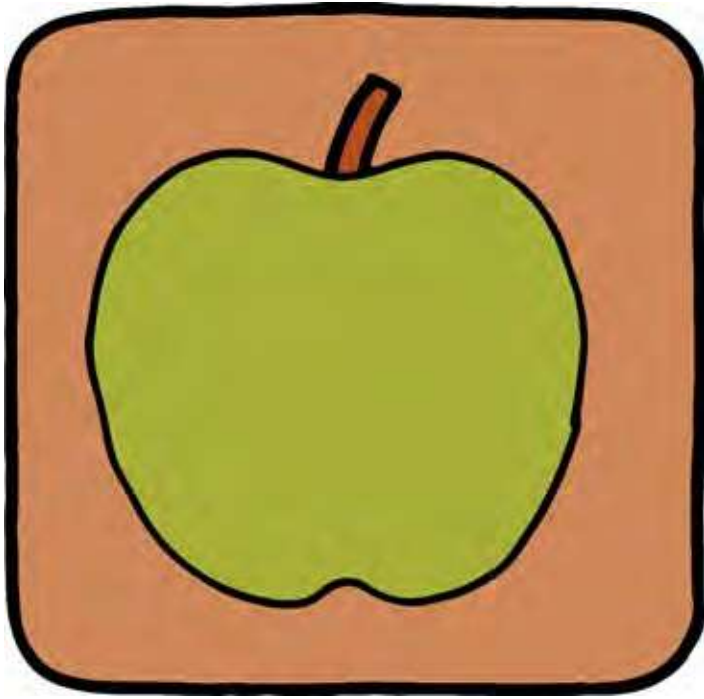
keep the gifts small so that they don’t get in the way of everyone’s input. Never forget

interpreted as financial incentives and destroy that even when you don’t need everyone’s

people’s intrinsic motivation.

help, you can increase other people’s happiness by allowing them to help you.





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Eat well and make good, healthy foods Exercise regularly and allow your Rest well and sleep sufficiently. A easily available for everyone in the workcoworkers to take proper care of their bodies. good night's sleep is one of the most often place. After all, there is a strong correlation Physical exercise is touted as a cure for many suggested tricks to enjoy a long and healthy

[between food and mood.¹¹ It is amazing ailments and as a great boost for happiness.¹²](#)

[life.¹³](#) In the context of a work environment,

how commonplace sweets, cookies, snacks, This is certainly something you should think it would be wise to offer people a place to carbonated drinks, and pizzas have become about as a manager. Of course, I'm not sugrecharge throughout the day. Repurpose one in the workplace. If managers really cared gesting that you should construct an in-house of your meeting rooms and make it a "zen about people's happiness and productivgym at the office, but a small contribution to a room" with reclining chairs, pillows, and soft, ity, they would push for access to healthier health program of their choice will be apprerelaxing music. Be an advocate of rest and realternatives, such as fruit, nuts, veggies, and ciated by many employees. And don't forget laxation breaks and be suspicious of anyone fresh water. And not only during lunchtime the

possibility of organizing a weekly run, long who claims not to need them. Make sure that but throughout the day. With this particular walk, or bike ride with your colleagues. I know “standard office hours” don’t force-fit people topic, I must plead guilty. I’m not known for several of my friends who enjoy such regular into straitjackets of productivity. Different my eagerness to plunder any salad bar. But workouts with their coworkers. Likewise, erpeople need different activity levels throughwe should all keep some room for personal gonomic chairs, standing desks, and software out the day. I once found someone lounging improvement, right?

that offers people advice on the proper use of on a sofa in the office basement—and gave computer equipment and healthy stretching her a compliment for taking good care of

exercises can be a great way to minimize the herself.

risk of stress and depression.





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DOOR

HAPPINESS

HAPPINESS

FOR

GING

MANA

Experience new things because the Hike outdoors, enjoy nature, and get people Meditate every day or adopt reguhappiness you derive from experiences is to escape their office environment every once lar mindfulness practices, because there's longer lasting than the happiness you get from

in a while. Being outside and connecting with evidence that better awareness of oneself

[things.14 Make](#) every day an opportunity to nature leads to an increased sense of vitality and one's surroundings and improved inner learn something new, try something out, and that goes beyond mere [physical exercise.15](#) Not peace and quiet are useful ingredients for run an experiment. Innovation mostly comes coincidentally, I'm writing this while still feeling

[greater happiness.16 Our busy work sched](#)from creative workers, not from managea bit tired from my 20-kilometer bike ride in ules and hectic private lives easily dominate ment, and it is best achieved when people the forest an hour ago. It is one of the ways in our minds while the world keeps changing enjoy the freedom to be creative together. For which I make sure that I'm not glued to my desk faster and faster, not making things any

example, many years ago, my fellow software and computer all day long. My daily city walks, easier. But our minds were not created for developers spontaneously organized a "Pink to fetch myself a nice coffee and do some readthe twenty-first century. Like our bodies, Friday," which meant that they asked all their ing, are another example in this category. Push our brains need some care and attention, coworkers to wear something pink on that yourself and your coworkers to get some fresh too. Forward-thinking companies introduce day. There was no particular reason other air as well. Next time you get yourselves an mindfulness programs to their employees or than colleagues having fun and creating a new afternoon coffee, go and get it from that great offer them dedicated meditation rooms beexperience. Such memories mean more to me brewer 2 kilometers down the road. Or, as I cause this helps improve people's focus and now than any number of gadgets and trinkets did some years ago, get your team out of their clarity, as well as their

over [all well-being.17](#)

that we bought or received as employees.

caves to enjoy a team meeting in the sun.





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Socialize with people and make it easy Aim for a defined purpose as an organiza Smile to make everyone feel better. My for your coworkers to develop connections, not tion and help people to develop, communicate, high school years were the darkest of my life,

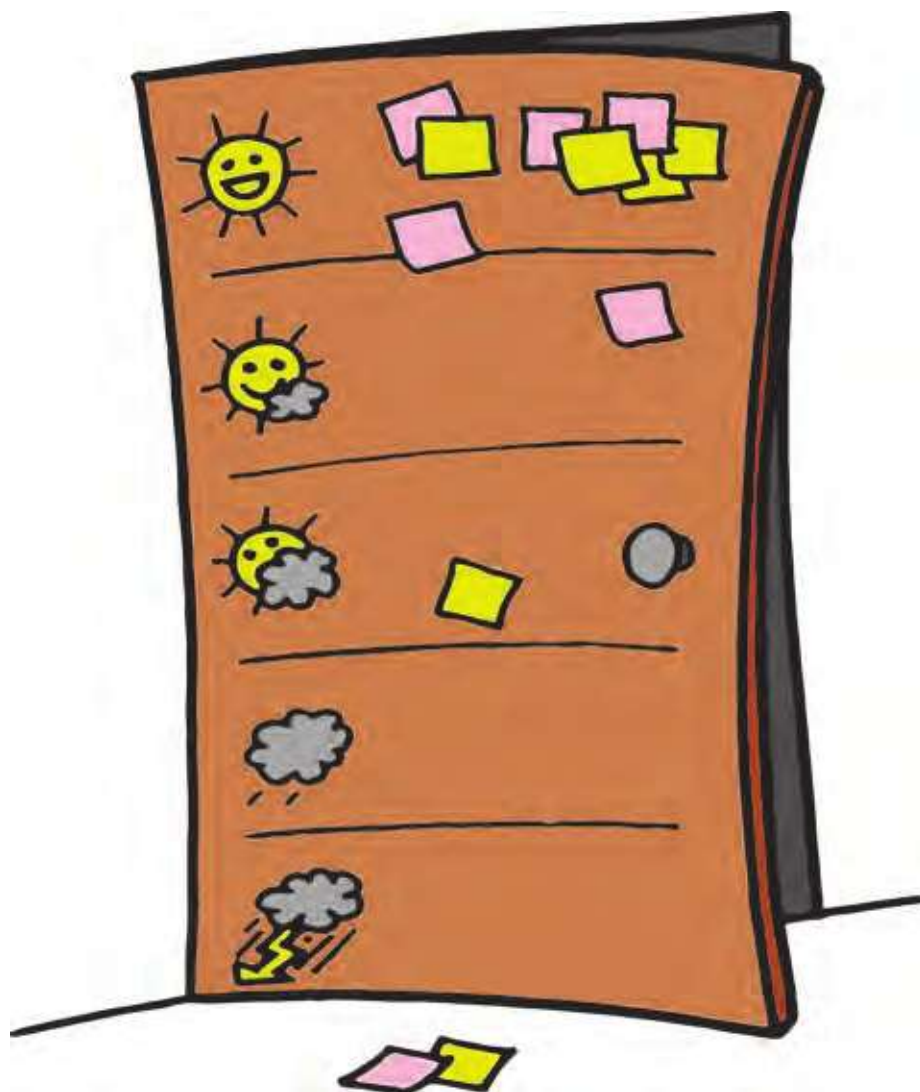
only with each other but also with other stakeand realize their own goals. Paradoxically, but I recall with pleasure the few moments holders. The longest study on happiness that one should never attempt to pursue happiwhen I made everyone in the classroom laugh was ever carried out found that the number ness itself because it is elusive. Don't strive with some of my silly jokes. Even when you feel one factor that determines a fulfilling life is our to be happy. Instead, strive to do something there is little reason to do so, it's still a smart

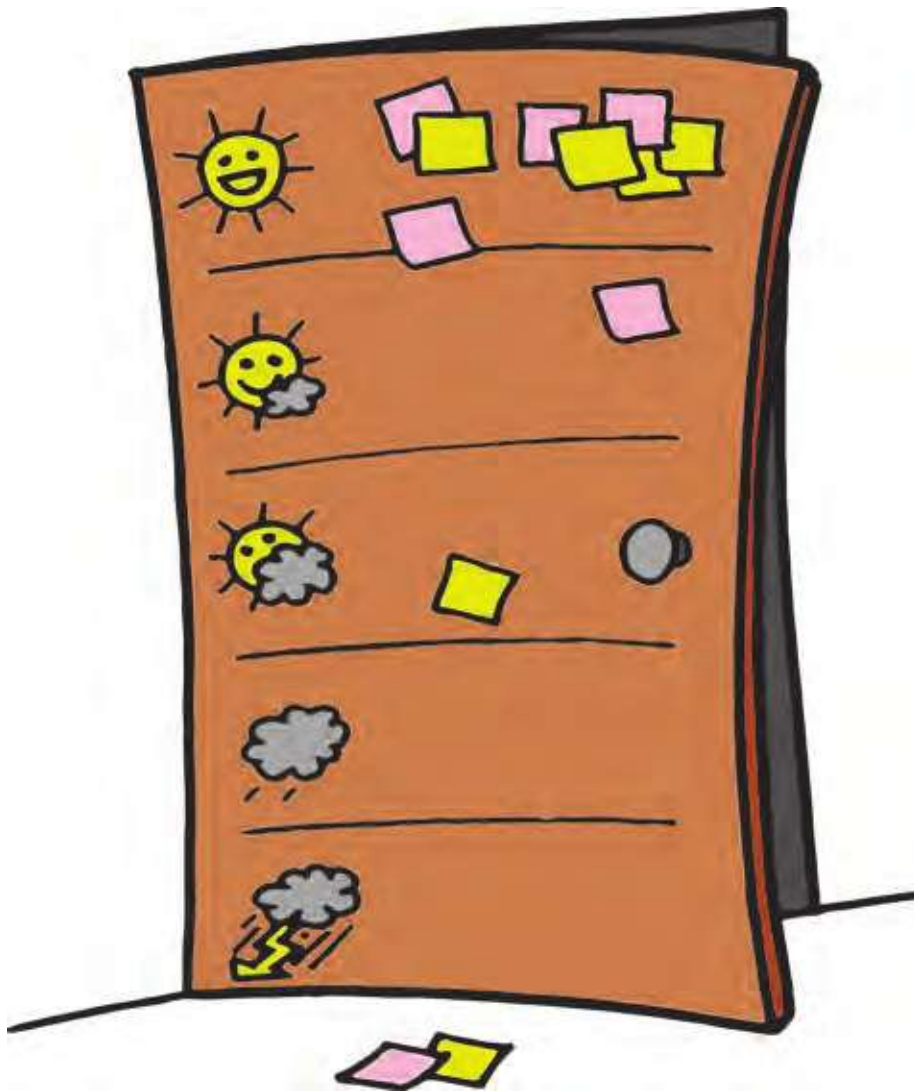
[relatedness to family and friends.18 That means](#) meaningful. It is the pursuit of meaning that idea to try and smile. Happiness makes us it's the people around you, not your work, that gener[ates happiness.19 There's](#) no better way smile, but it also works the other way around: make you happier in the long term. Organize to make workers happy than to show them Smiling makes [us happy.20](#) Research confirms team lunches, after-work drinks, or—as I have there is a good reason for their participation that painting a fake smile on your face can done in the past—invite coworkers to your and that they contribute to a worthy purpose. have a

positive effect on your mood because house and get them to cook dinner together. (With the purpose to indirectly increase other you're tricking your brain into thinking that Another time, I convinced my colleagues to people's happiness, my company Happy Melly you're happy, which means that the chance show their vacation photos on a projector in found a sneaky way around the paradox.) But of smiling for real increases, which in turn is a meeting room during lunchtime. They loved let's not forget that it's not only the work of good for your levels of engagement, satisfacit. When you get people to learn about each employees that should add to the organization, and productivity. Of course, it's far better other's hobbies, families, values, and ambitions, tion's raison d'être; the organization should when most of your smiles are genuine and sinsmall talk comes much easier to everyone, also strive to support its people in achieving cere. To achieve that, I suggest the judicious which helps them appreciate each other and their goals.

use of harmless humor and savvy silliness.

strengthens the social ties.





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The Happiness Door

DOOR

It was during the very first Management 3.0 workshop, in early 2011, The method is very simple. You ask participants to give you immediate feedback during or after a presentation, training session, business meeting, pole dance, or any other type of social interaction. You want feedback quickly because, in most people's brains, first impressions are the most lasting. I came up with the idea of the happiness door. I was trying to find a way for participants in my workshop to give me feedback in a safe and respectful but also fun and engaging way.

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I was already familiar with the concept of the feedback wall: asking sions dissolve faster than European credit ratings. You also want it HAPPINESS

people to write comments on sticky notes and collecting them pubsoon so that you can act on the feedback and minimize the suffering lically on a wall. I was also familiar with the idea of a happiness index: caused by your embarrassing mistakes. People write their feedback FOR

a scale of (usually) one to five that people use to indicate how happy on sticky notes and they put their notes on a door where you've GING

they feel about something. In my car on the way home, after a stressdrawn a happiness index with a scale of 1, or bad (at the bottom), to ful but also successful first workshop day, I came up with the idea to 5, or great (at the top). The higher people place the sticky notes, the MANA

combine those two practices into one.

happier they are.

People are even allowed to leave their sticky

notes empty and just use them to indicate their level of happiness.

The method is easy to explain in 30 seconds and it's a great way to quickly capture people's (anonymous) feedback while they leave a room.

Sometimes participants just write "awesome exercise" or "I love the discussions." That's great. It will help you feel happier as the manager or organizer of the event. Sometimes people leave just a smiley or a blank note. Other participants have more specific feedback to share, such as "too many quotes," "use more pictures," or "too much theory" and "add more theory." (Yes, I once received the last two at the same time.) The happiness door has always worked well for me.

Happiness doors were used with various degrees of success at a small number of conferences that I attended. In every case, I was unaware

The happiness door is a feedback

of the organizers' brilliant strokes of thievery until I actually saw the doors. I noticed tweets and comments of participants appreciating wall and a happiness index in one.

this way of collecting feedback by organizers, which was similar to the comments I receive from attendees of my workshops.

A few things are important to consider for a successful implementation of the happiness door:

- The happiness door (or wall, flip chart, or whiteboard) should be strategically placed, for example, next to the exit of the room.

Feedback wall and

Preferably, it should be a place everyone walks past when a meeting, a conference talk, or a training session has ended.

happiness index

- All participants must understand the scale of the happiness index. Usually, a rating of 5 means good and a rating of 1 means bad. But in some parts of the world, people more commonly associate 1 with good and 5 with bad, which is confusing when I called it a feedback door in the beginning, which led to you have participants with different backgrounds in the room. some confusion. Several workshop trainers told me they
- I prefer drawing smiley faces instead of numbers, not only to avoid confusion over the meaning of numbers, but also because I had invented the “feedback door” years before me, but such illustrations make the door itself more engaging for people. it turned out none of them did what I described here.
- Organizers may want to consider distributing sticky notes in a not-very-subtle way. At some events, I saw organizers attach sticky notes to the backs or seats of all the chairs. At other events, there were people offering stickies right next to the door. window, or coffee machine. It is important to remember
- It is easy to collect and save the results of a happiness door. that the happiness door is a feedback wall *and* a happiness I always take a picture of the door first and I save the notes in envelopes. If you want to keep the scores, just write the

index in one. Its purpose is to generate written feedback numbers on the notes before you take them from the door, as I saw some organizers do. You can also use five numbered (comments) *and* numerical feedback (ratings). envelopes, as I often did.



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There are other ways of collecting feedback from event participants. (1 to 5) is a more useful scale. And some workshop facilitators collect Some organizers collect feedback on whiteboards in hallways, but I only comments as qualitative feedback, but I've noticed some attendlike the request for input to be quicker and more "in-your-face," near ees are more comfortable with numbers, not text.

the exit of the room, so that it's hard to ignore. Some event managers

use paper forms and closed boxes, but I like the feedback to work as The happiness door combines the best of many feedback mechanisms an information radiator. I have seen organizers collect feedback in that I have seen. But you may put a note on my door saying "you're three

colors (red, yellow, and green) but I think the happiness index somewhat biased.”

230

Feedback and Influence

One interesting side effect of the happiness door practice is that it is some will attempt to compensate by being *more* positive. If the door reflexive. The information radiator not only *collects* people’s feedback only shows high ratings, it is possible that other people will think, “Well, but also *influences* it. People can see what others are doing before there were parts that I didn’t like, but maybe it’s just me.” Don’t ever them, therefore they will be influencing each other. When some people think that a happiness door would survive scientific scrutiny. As a mea-give low ratings, it is possible that others will do the same—or maybe surement tool, it is unlikely to become popular among researchers.

The cleaning crew

A playful feedback method generates

happiness among your coworkers.

“I tried to introduce a happiness door for the first time in my

company during a three-day workshop. Since people in my

company are not used to seeing this type of initiative during Coming back on the second day, we discovered we had workshops, I spent some

time explaining why there were made a mistake. . . . We left the notes on the door, hoping smileys on the door and what the purpose was of the sticky to get more, but we forgot to leave a message for the cleannotes. At the end of the morning session, the first note on the ing crew. All the notes and smileys were gone! The lesson wall was my own. I put it there after people left the room, vislearned here is that the cleaning crew also has an important ible for all when they came back in. In the afternoon, some role to play in the success of a workshop. Include them, too!”

additional notes appeared slowly. By the end of day one, we had two hands full, and we went over them one-by-one.

Patrick Verdonk, *Spain*

I expected fewer problems with writ²³¹

ten feedback. This led to the idea to use

DOOR

Better

a happiness door. What has changed is

The happiness door is meant to *improve* hapfeedback

piness. Many people appreciate a social event

that I received more valuable, honest,

HAPPINESS

even more when the approach to feedback

with a

is open, transparent, and engaging. The fact

and individual feedback because my

that there is a happiness door in the room

happiness

HAPPINESS

means people are less likely to put anything

participants felt safe to express their

near the bottom of the door! I sometimes

FOR

door

joke that I intentionally place the bad area of

thoughts in written form. It also provided

GING

the scale inconveniently near the floor, which

will hurt your neck when you put a sticky

“As an agile coach, I regularly train staff. an instant overview of my performance

MANA

there. It always makes people laugh, which

is one of the 12 steps to happiness. The door

To improve my trainer skills, I gather and helped me to remember a feeling for

is *supposed* to make people happier. Plus, the

useful feedback that you receive, together

feedback from my participants. I used to the session. Finally, it was impossible to

with nice appreciative comments, will make

you feel happier, too. Mission accomplished.

do this verbally, but this turned out to be forget any feedback.

Next time you organize a meeting, workshop,

unsatisfying:

or other kind of event, I suggest you try the

happiness door, not only because the feed

- Giving honest, verbal feedback straight**

The only drawback I have identified so far

back is very useful for you as the manager of

the meeting, but also because a playful feedin the face was hard for my participants.

is that the written feedback can be someback method generates happiness among

your coworkers.

- Many seemed to feel a barrier to expostimes hard to interpret and you need to**

ing their individual thoughts about the ask for nice handwriting. ;-)

Anyway, the

training in front of the group.

happiness door is great and there will

- Very few provided valuable feedback.**

definitely be more in my future trainings!”

- I likely forgot some of the feedback by**

the time I could reflect on it.

Stefan Wunder, *Austria*



To be able to
be here and
enjoy this gift
to myself!

Thanks for reminding
me there are more
than 10 years to go!

Some hot water (paper)
not during lunch!

Good stuff
- good things
- good afternoon, thank
- evening



Thanks
for today! :)
Alexander

Look forward
again



Good material and
action but should be
shorter.

Tip: do not
not want to
be invited

How to Get Started

At the start of this chapter, I shared some of my fondest memories with you. Now it is time to generate some of your own.

- 1. Download the 12 Steps to Happiness poster from m30.me/twelve-steps.**
- 2. Organize a meeting with your team and put up a happiness door in the room.**
- 3. Review the 12 steps together and come up with an action plan to implement most or all of them.**
- 4. At the end of the meeting, ask everyone to place a sticky note with some feedback on the happiness door.**
- 5. Read the notes and smile.**

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Tips and Variations

DOOR

Tell your attendees that empty

HAPPINESS

notes are OK. A rating without a comment is still better than no

Ask people to write clearly.

Draw smiley faces and thunderfeedback at all.

Sometimes, it's very hard to read

HAPPINESS

clouds (or other pictograms) instead

people's tiny scribbles.

of numbers. It is easier for people to

FOR

understand what they mean.

GING

Remind people that anonymous

feedback is fine.

You can invent ways to combine

MANA

the happiness door with other

Write "HAPPINESS DOOR" in

visual practices, such as delegation

colorful letters above all the stickboards or kudo walls.

ies and maybe draw a nice frame

I combined the happiness index

around the feedback area, too.

(vertical) with a return on investment indicator (horizontal). This

way, we could correlate happiness

We combined the happiness

with value!

door with the perfection game

I always make it clear to participants. We asked for two stickpans that I actually read all the ones: one for happiness and one for

sticky notes. I even read some of

improvements.

them out loud.

Some encouragement to give feedback is often necessary. Don't let

them wonder silently, "Should I put

this on there?" Get them to do it!

Find more ideas at m30.me/

People appreciate that I immedi

[happiness-door and download the](#)

ately take action after reading their

12 Steps to Happiness poster from

feedback on the happiness door.

m30.me/twelve-steps.

In workshops, I usually ask for

feedback once or twice per day.

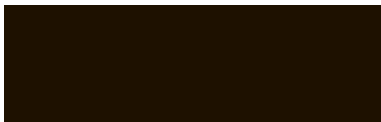
More often is overdoing it.

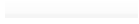


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12

yay! questions and

celebration grids

Learn from Successes and Failures

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Does your organization

appreciate the things you've

It's important that

learned? Do you applaud

someone celebrate our

colleagues who do their

existence . . . People are

jobs well? All too often,
the only mirror we have
organizations live day
to see ourselves in. The
by day, from one crisis to
domain of all meaning.
another, and they forget to
All virtue, all evil,
take note of the good things
are contained only in
that happened. By asking
people. There is none in
two important questions
the universe at large.
and drawing a celebration
Lois McMaster Bujold,
American author
grid, you can look for things
(1949–)
to treasure.









A few years ago, I discussed some organizational challenges with my former CEO. I noted that the employees in our company rarely took time to enjoy their successes. People were always working hard and never seemed to celebrate the things that went well. I suggested that maybe we should have a big bell in the office so that we could ring it whenever there was something to celebrate. The idea of a bell came to my mind because I wanted something that would be visible, inviting, and impossible to ignore when used.

One week later, to my surprise, the CEO brought me a copper ship's bell and said, "Here's your bell. Now do something useful with it." I convinced the office manager to hang it in the middle of our big open office space, and I let everyone in the company know that every employee was allowed to ring the bell if they had something to celebrate.

(I later heard of a similar practice with a cow bell instead of a ship's [bell, in other organizations.1](#))

From that moment, every few weeks or so, someone would enthusiastically yank on the rope. The bell would be rung for signing a government contract, for deploying a Web application, or for doing something less strenuous, such as running a marathon or giving birth to a baby. Any reason was valid. (I once rang the bell for having more visitors on my blog than the company had on its website. It was just an excuse to enjoy another celebration.)

When the sound of the ship's bell chimed through the office, all employees immediately got together for a 10-minute celebration. Our people knew that the bell was often a signal for free cake or cookies, which Every employee was allowed to ring the probably contributed to the quick gathering of the entire workforce around the coffee machine. The person who rang the bell then usually bell if they had something to celebrate.

took a few minutes to explain what was being celebrated, followed by enthusiastic applause. Yay! And then the eating started. The last time I heard the bell was when the CEO announced that I was quitting my job.

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Experimental Learning

We should celebrate learning,
not successes or failures.

Some writers claim that “we only learn from failure” or that we should “allow ourselves to [fail](#).”² Some say we should celebrate mistakes because both are needed for learning. What we learn from the most are the causes they help us to be more creative [and innovative](#).³ [There are even](#) experiences we’ve never had before. When all we do is repeat estab-

lished practices, it is hard to know if we could do any better. Likewise, other’s mistakes [and failures](#).⁴ Interestingly enough, other writers if all we do is make the same mistakes, then we’re not learning much claim that we should “focus on successes” and that “success breeds either. Optimal learning happens somewhere in the middle; it hap-

[success](#).”⁵ [This](#) raises the question whether we should celebrate successes when you frequently think, “I didn’t know this, but I’m glad I *cesses and* failures—in other words, celebrate everything. The truth found out because now I can do better!”

is, quite literally, right in the middle.

Information theorists have discovered that systems learn most when

No amount of examples of successes or failures is in

failure rates are around 50 [percent](#).⁶ In other words, when your experiments have a good chance of succeeding *and* a good chance of being indicative of one's potential performance. It all depends on failing, they generate the most information for you to learn from. on your own effort and understanding of your own

We learn the most when we can't predict whether our experiments will lead to good or bad outcomes. Apparently, failure and success problems.

Either excessive or insufficient probability of failure

W. Edwards Deming, [Out of the Crisis](#) ⁸

reduces the efficiency with which we generate infor-

A learning organization should not aim to minimize the amount of failure. Reducing failure would reduce learning. Of course, maximization. . . . Avoid oversimplifications, like “eliminate minimizing failure also makes no sense. What we should maximize is the *understanding* of our problems. This understanding happens by experiencing failures” or “celebrate failures.” There is an optimum

riencing both successes and failures. There is an optimal learning rate when you think “wow, I’m brilliant!” and “my God, I’m such an idiot!” failure rate.

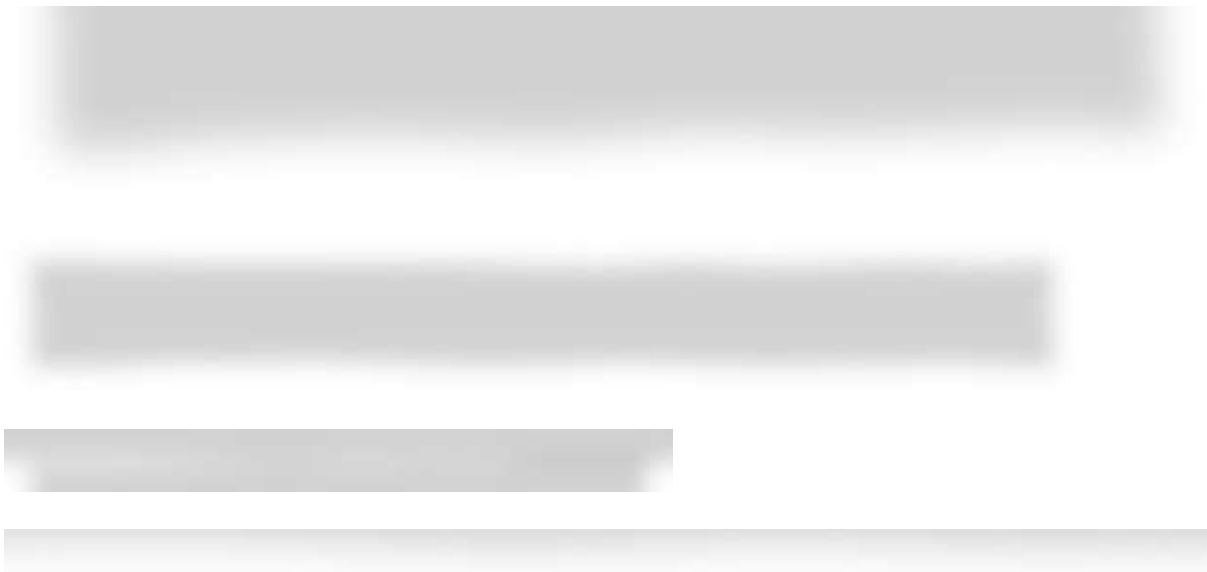
roughly in equal measure. Therefore, we should celebrate learning, not successes or failures.

Donald G. Reinertsen, *Principles of Product Development* [Flow](#) ⁷



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<http://www.flickr.com/photos/92833011@N00/1160780781>



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Good Practices

In many working environments, people usually focus on fixing problems. This makes sense because continuous improvement allows

We should celebrate good practices,

organizations to survive and thrive. However, a focus on things that could be improved usually comes down to a focus on failures not punish mistakes.

and mistakes, and this mindset can have some serious side effects.

Being a perfectionist, I have sometimes been guilty of this myself. I have “raised the bar” for me and for others until the bar was so high that Godzilla could do a limbo dance underneath it while carrying a space shuttle.

I believe we should emphasize the good practices over the mistakes because you get more of what you focus on.^{9,10} If you focus on mistakes,

However, I noticed a strange thing when I urged people to stop screwpeople will make more mistakes. If you focus on good practices, people ing up. I found this didn’t motivate them at all! I realized getting betwill invent more good practices.

ter isn’t just about reducing what goes *wrong*

(making mistakes). It’s also about increasing

By emphasizing good practices, and even

what goes *right* (using good practices). And ev-

ritualizing them, you also make it possible to

ery now and then, people need a reminder that

free up people's mental power so they have
they're doing just fine.

more time for the more complex and uncer-
tain aspects of their work. For example, qual-

It's no wonder the culture in many organizaity checklists often have
beneficial effects for tions feels negative when the focus of discus-creative
workers, not only because they help

sions is mainly on mistakes and problems.

to keep the quality of products and services

Workers feel they are held accountable for not

high, but also because they enable workers to

being perfect. Instead of having a constructive

think of more interesting problems to solve

view of improvement, people end up with a

and [experiments to run.11](#)

defensive frame of mind. They avoid taking responsibility, and for every
perceived problem, It seems evident to me that we should em-they point
at others who must have caused it.

phasize the good behaviors, not the bad

Because people's minds are focused on self-

ones. We should celebrate good practices,

defense instead of improvement, things will

not punish mistakes.

not get any better and the organization will

just make more mistakes.



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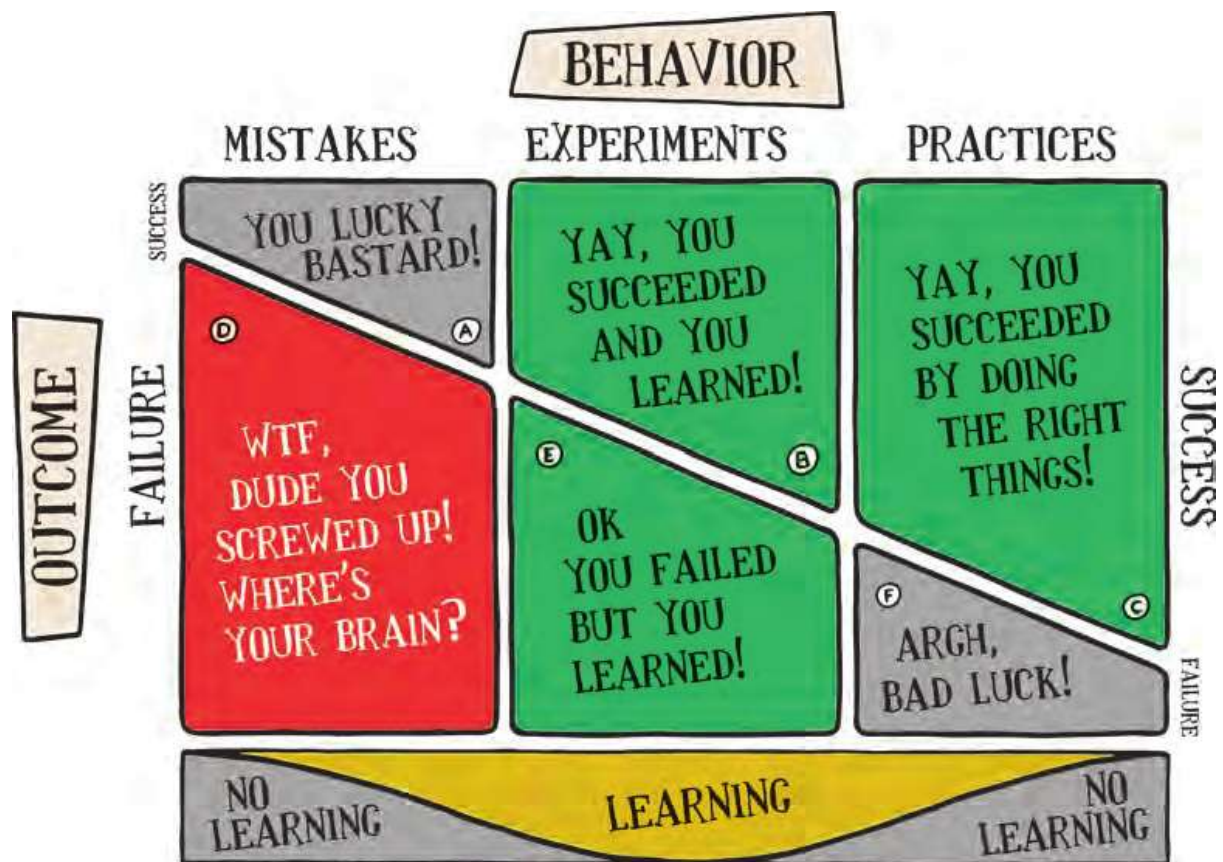
**Am I allowed to offer people
some criticism?**

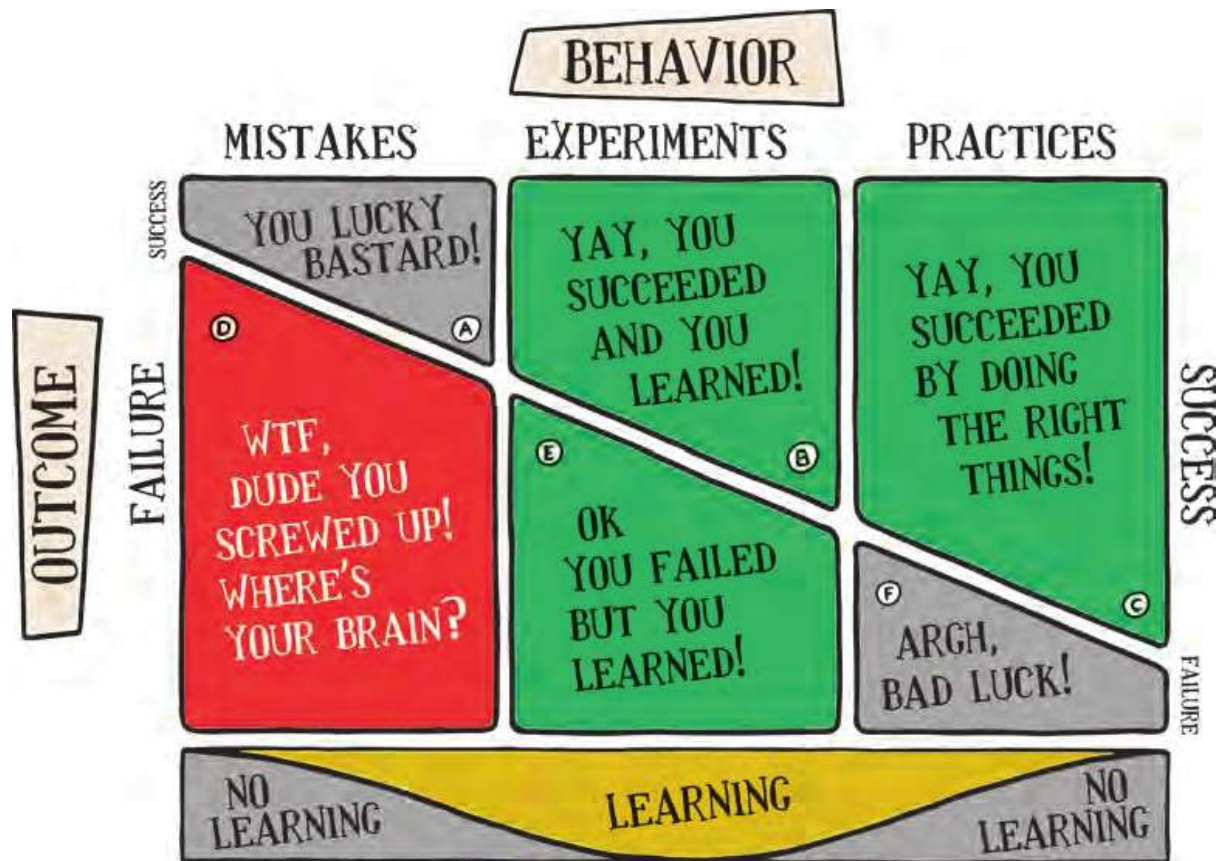
**Yes, you are! Constructive criticism can be quite useful
(see Chapter 7); though, research has shown that negative
feedback is more effective for experts than for novices.¹²**

**It's OK to let novices know when they made a mistake, but
their performance will increase much faster when you focus**

**on their good behaviors. It appears that experts will usually have more
appreciation for knowing where they went wrong, but they welcome a**

pat on the back every now and
then as well.





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Two Questions

We've now seen that there are two possible people's best efforts, the outcome of a good outcome. It is important that both successes reasons for celebrations. We can celebrate practice was a failure, you may still consider and failures are discussed in equal measure when we have *learned* something, regardless celebrating that at least they did their best because, while it is true that you can learn of whether the outcome was a success or a (region F).

much from failure, it's also true that you learn

failure, and we can celebrate when we repeat

a lot from success. That's why your attention

good practices, probably resulting in a predict

The second question

is about the tests should be divided equally between both

ably good outcome. I call the accompanying and experiments that people performed (regions B and E).

illustration a celebration grid.

In this where they couldn't easily predict the diagram, the areas of potential celebrations are colored green (regions B, C and E). This area is called the *celebration zone*.

As a great management exercise, you can help people to focus on the proper areas in the celebration grid by asking them these two “yay!” questions:

1. What did we do well (by following practices)?
2. What did we learn (by running experiments)?

Instead of questioning things that went wrong, it's often better to ask what worked [well.13](#)

This emphasizes that you want to share good recipes, not mistakes. It's OK for people to discuss practices that are already widely known. Reinforcing good recipes makes it more likely that others will apply

them, too (region C). Even when, despite



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! QUESTIONS

The two questions are both reasons to celebrate. You celebrate to re

Actually,

YAY

inforce good behaviors, and you celebrate to reinforce learning. Both

are necessary when your aim is to motivate your team.

this all sounds quite familiar!

HAPPINESS

Indeed, the same questions exist in other contexts too.

FOR

For example, change management experts know that

GING

MANA

one of the first questions to ask in any change program is,

“Where are things going well?” closely followed by “How

do we get feedback?”¹⁴ They are very similar questions,

but in a different format. Another example is the *perfec*

When you have regular meetings with colleagues, such as one-on-ones, stand-up meetings, retrospectives, or weekly Skype calls, I sug

tion game, a useful feedback technique for trainers and

gest you make a habit of starting with these two “yay!” questions.

facilitators. It asks people “how well do you like what we

Starting conversations with these questions has several benefits.

First, it gives people permission to brag a little about their good work

did?” followed by “if it’s not perfect, how can we do even

and what they learned. This helps them feel good about themselves.

By emphasizing positive things, the atmosphere will improve, and

better?”^{15,16} Again, they are two similar questions but

people will feel more at ease so they can talk about some of their failures and mistakes later on.

with a slightly different angle.

Second, it motivates people to be mindful about the good recipes

they applied and the things they learned, so they have something

to share in the next conversation. Everyone should understand that

their job is not just to reduce mistakes and failures. It's also to learn good practices and share them with their colleagues.



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Celebrate Work

Any answers to these two questions could be a trigger for a celebra

When you celebrate things, keep the following suggestions in mind:

tion. Has the new employee correctly inserted the *foobar* into the

goobase? Celebrate! Did a team member's daring experiment result 1. Celebrate frequently. Every day can be a day to ask these two in a great insight? Yay! Applaud the one who valiantly helped a cusquestions. Every day can be a reason to celebrate. Don't just tomer with an important software workaround that saved data, even

drool all over the big achievements. Pay attention to the small

though it regrettably got 50 other customers disconnected. Perhaps

things too. When everyone is on time for a meeting, celebrate!

you even want to ring the bell for the person who stupidly deleted

When the CEO published her first blog post, "Yay!" When

all the invoices because it enabled the network administrators to im

Juanita didn't swear for a whole week, "Woohoo!"

prove their backup procedures.

2. Celebrate noticeably. Make sure celebrations are visible

In some environments, when you start asking these two questions, (or loud), so that everyone can see (or hear) what is being positive events are harder to find than a Cobol programmer participating in a Miss Universe contest. Maybe that's because there isn't radiators. With a bit of luck, other parts of the organization that much good news to share in the first place, or maybe it's because will follow your good example. It is hard not to go with the flow people don't consider their good behaviors and learning outcomes when a good vibe washes all over you.

to be worth celebrating. I suggest you don't take what people do for granted. Make every small step worth mentioning.

3. Celebrate remarkably. Target multiple senses with your celebrations. Be remarkable by introducing your own unique rituals. You can ring a bell, throw confetti, launch balloons, Don't take what people do for granted.

share chocolates, or flash some disco lights and play a song by the Village People. By turning celebrations into little rituals, Make every small step worth mentioning.

they will become part of the organizational culture.

When I wrote the first draft of this chapter, I scheduled a visit to my former employer's office. The bell was still there. I was glad to learn they had rung it just a week earlier to celebrate an important product release and the five-year anniversaries of several employees who, unlike me, did *not* leave the company.



**From done
to celebrate**

**“We have a kanban board that visualizes our workflow,
and periodically our tasks move from *In Work* to *Done*.
Sometimes we celebrate getting tasks to Done with a
“hurray” and then we move the sticky notes to a big Done
area on the whiteboard. But now I am thinking I can draw
your celebration grid on the whiteboard in the Done
area. When stickies move to Done, we put them into the
appropriate region of the celebration grid and let learn
ing and celebration commence.”**

Geoffrey Lowney, *United States*

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Better retrospectives

“I thought that it might be a great idea to I asked the team to take 10 minutes The retrospective went extremely use the celebration grid as a framework to write on sticky notes the mis well. The feedback from the team was for organizing team retrospectives. So, I takes, experiments, and good prac

very positive. Every person thought it

tried it out with a scrum team with which tices they had identified. When time was the best retrospective that they I had been working by drawing the was up, the team members placed had attended. For me, it was by far the diagram on a whiteboard and discussing the stickies on the grid in the appro

best that I had facilitated. We think

the concept of how most learning oc priate locations, and we had a con

the celebration grid provided a great

curs through experiments. I suggested version on our findings and new visual framework, and the concepts of that we could use the diagram as a way ideas. During the team conversa experimenting, learning, and celebrat to structure the retrospective to get us tion, we identified additional experi

ing gave real direction, meaning, and

in a mode of thinking about what we are ments to put on the board, and the purpose to the retrospective.”

actually learning. The team agreed that team committed to several process

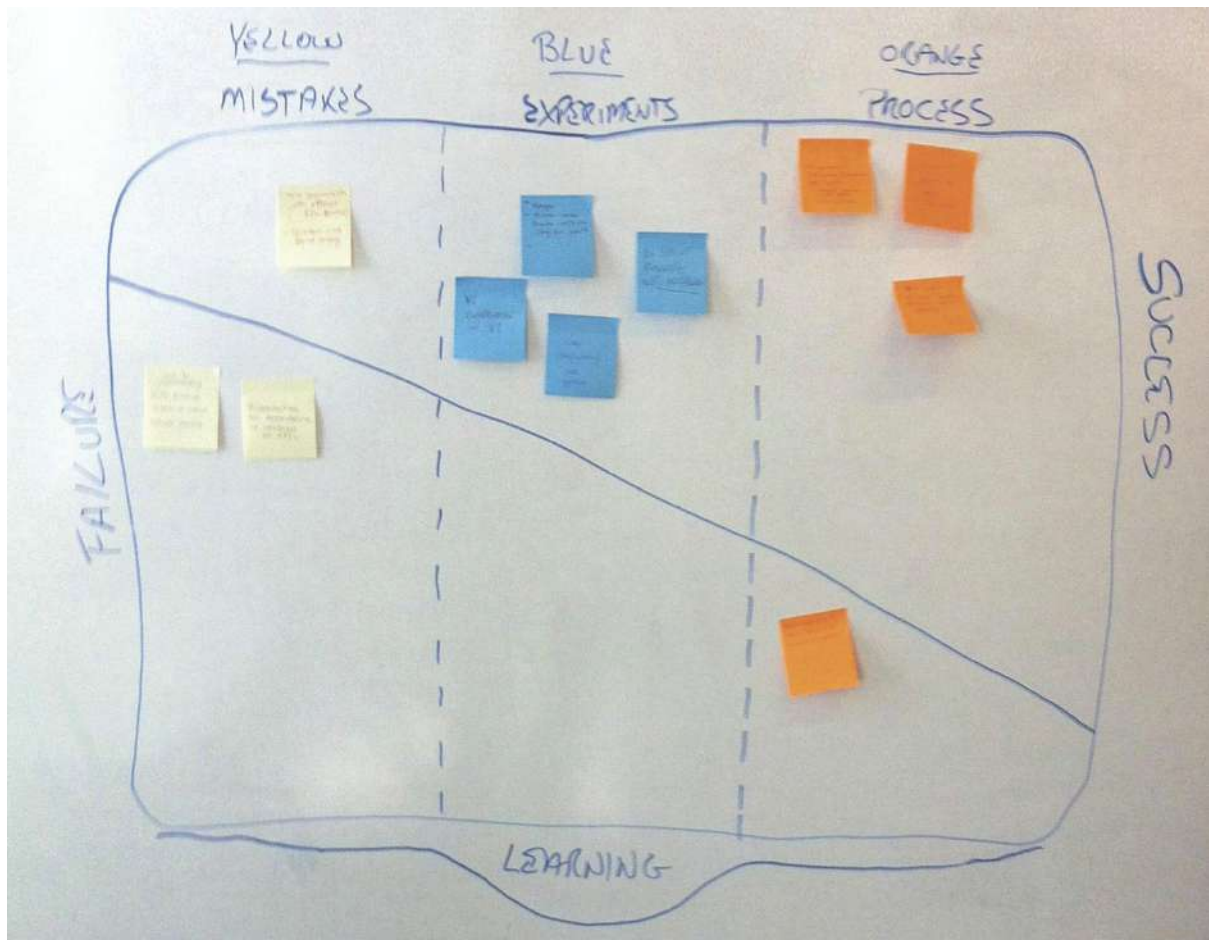
it looked like a promising approach.

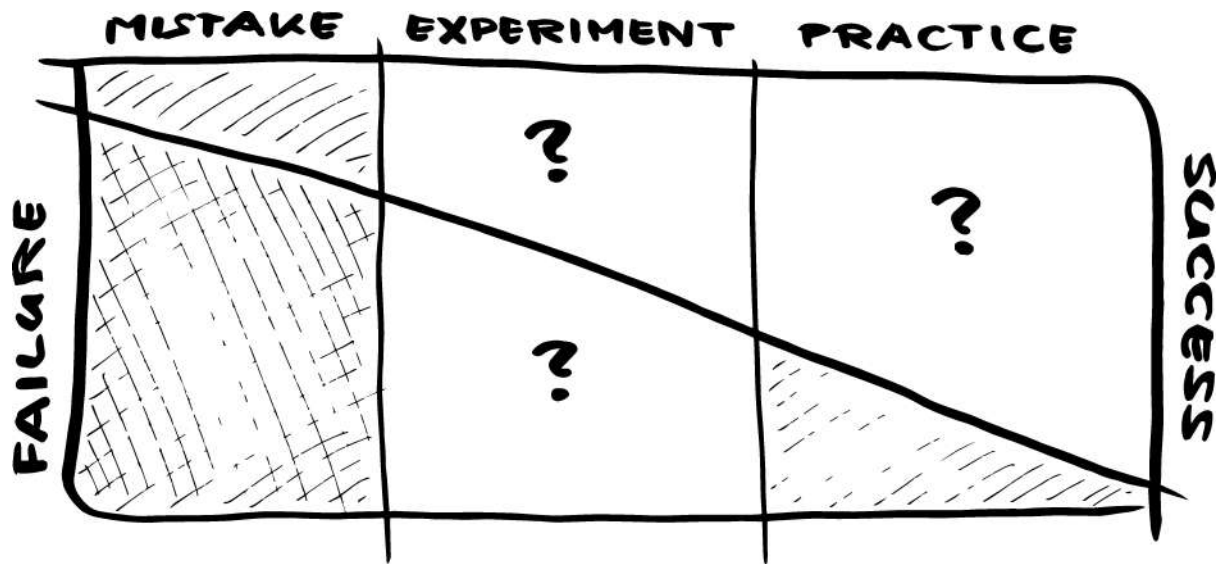
improvements.

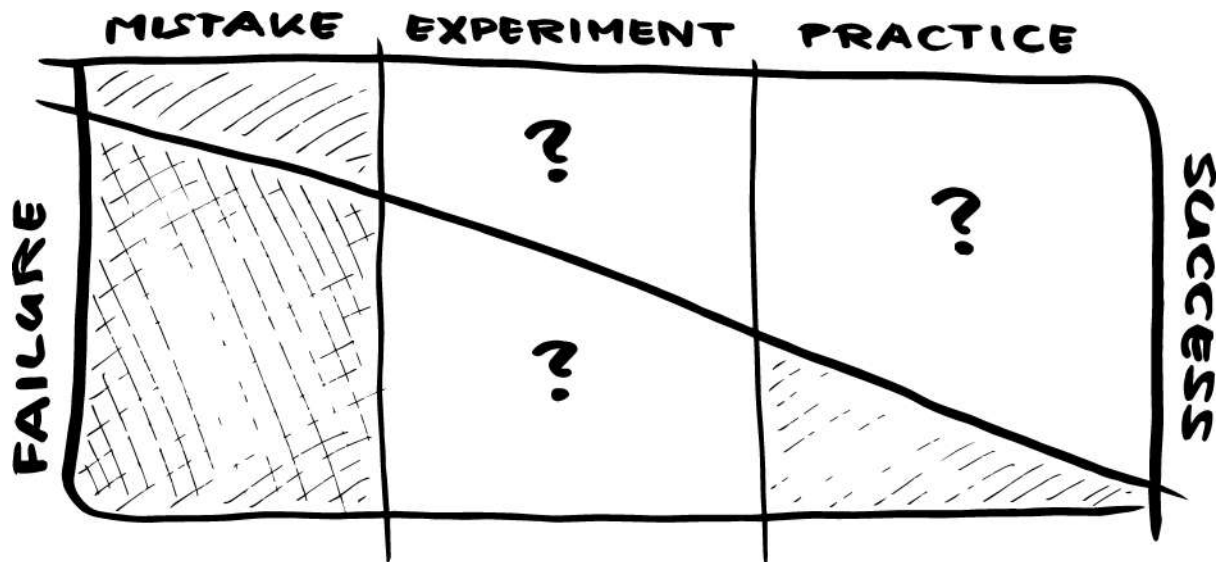
Robie Wood, *United States*

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<http://www.flickr.com/photos/shaireproductions/5350095144>







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How to Get Started

Try this when you want to get started celebrating things:

1. Draw the celebration grid on a whiteboard

and

3. At the start or at the end of your meetings, try asking the two
discuss it.

questions, “What did we do well?” and “What did we learn?”

2. For each of the regions, ask people for a few concrete examples 4.
Decide how you’re going to celebrate what you learned and so that you
might learn from all mistakes, experiments, and

what you practiced in a way that is noticeable, remarkable,

practices, no matter whether you failed or succeeded.

and fun.

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Tips and Variations

! QUESTIONS

YAY

You can draw a funnel above the

With a remote team, a loud bell

Before you use the celebration

celebration grid to indicate an area

obviously won't work. Instead, try

grid with a group of people, explain

where new-experiments-to-try can

a special channel on your commuthe difference between mistakes

be placed.

nications platform or something

HAPPINESS

(behavior) and failures (outcome).

that generates a notification for a

FOR

In ordinary language, they are

whole group.

often confused.

GING

I found that the celebration grid

MANA

is particularly powerful in change

programs. It shows that the hier

We had to find another way to

Draw a celebration grid on a

archy can support industry best

announce celebrations because,

whiteboard or flip chart so that

practices while the network will try

where I come from, people associan entire team can contribute and

and experiment.

ated a bell too much with school

share learnings.

grounds. :-)

I always use the celebration grid

Get people to interact by handing

at the end of a workshop day. It's

Many announcements for celout sticky notes and getting them

great to have people stand around

ebrations should come from

to write things on the grid, instead

a whiteboard and reflect on what

management. And not only for

of doing it all yourself.

they've learned. They love that.

customer sales and product
launches. Learning from failure
can be celebrated, too!

Try asking the two questions, “What

The grid is a reflection tool. But

did we learn?” and “What did we

what about using it as a forecast

do well?” in different ways. For

tool? What will you have learned in

Find specific tools and more ideas

example, “What should we try?” and

one week, one month, or one year

[at m30.me/yay-questions](https://m30.me/yay-questions) and

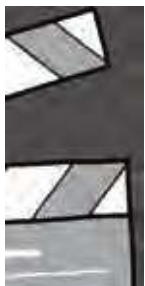
“What should we repeat?”

from your mistakes and practices?

m30.me/celebration-grids.



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conclusion

Never Stop Experimenting

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**I have collected ideas from
many sources and offered
them as concrete practices.**

**But copying games and
exercises is not enough
to change organizations.**

I feel very strongly

**You must adapt practices
that change is good
to your needs and keep
because it stirs up**

in mind the principles of

the system.

engaging people, improving

Ann Richards,

the system, and delighting

American politician (1933–2006)

all clients.



We've reached the end of the book, and this makes me feel both happy

The end of this book also makes me feel sad because there's still so

and sad. I feel happy because you wouldn't believe the amount of work

much I want to discuss with you! We didn't cover collaborative hiring,

it takes to produce a book like this. It's not just the effort of jamming A3 problem solving, modern recruiting, conflict resolution, compe a hundred thousand words into a text editor. The main challenge is tence grids, and many other topics. I haven't told you that story of the putting them in a sensible order! And then there's the research (fun!), boss who woke up in a meeting room with a binder full of performance the illustrations (I make them all myself), the formatting (delegated appraisals wedged in his trousers.

with pleasure), the marketing (*never* delegate this!), and the review

ing, rereading, rewriting, restyling, redrawing, redacting, referring, In any case, what I hope I have achieved with the chapters I *did* recycling, and (thank heavens!) also some reclining and rejoicing. And write is that you believe, as I do, that *everyone* is responsible for the e-mails. My God, the e-mails! I could bury a pair of horses, with management. You shouldn't wait for full-time managers to innovate carriage, under the amount of e-mails I get each day. But, to be honest, the way you organize your work. Good management practices are it's the e-mails that keep me going. The encouragement from readers about engaging the workers, improving the system, and delighting always makes me happy. However, reaching the end of a big project the stakeholders. Anyone can do that. Anyone can manage for more delights me even more! As I wrote long ago on my blog, I can only enjoy

happiness in the workplace.

[my work when I know it will come to an end.1](#)

The work of managing can be done
by just about anyone if they have
the right information, incentives,
tools, and accountabilities.

Gary Hamel, *What Matters Now* 2

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<http://www.flickr.com/photos/ansik/3218139011>







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The Idea Farmer

Almost everything in this book emerged because I read a lot of books, blogs, websites, and magazines. (And I travel a lot.) I read because I love collecting other people’s good ideas. As I often say, “steal and tweak” is the best recipe for innovation. Everything I say is stolen and tweaked, even the concept of “steal and tweak” itself.

**If you aim to reach as high as possible,
don’t limit yourself to the giants.**

Find the small ones who are standing on

**Stories of success and failure consistently exaggerate the
their shoulders!**

impact of leadership style and management practices on

firm outcomes, and thus their message is rarely useful.

In my search for good ideas, you may have noticed that I don't limit myself to reading the timeless classics of famous gurus. I also refer Daniel Kahneman, *Thinking, Fast and Slow* [3](#)

to many lesser-known books and articles that only a few people have read. The thinking behind this approach is that if you aim to reach as I'm an idea farmer. I grow new ideas from old ones. When the new high as possible, don't limit yourself to the giants. Find the small ones ideas are fully grown, I sell them. Or when they're still young and who are standing on their shoulders!

small, I often just give them away for free because that helps them to become better and more experienced.

I nurture all the big and small ideas that I find. I water them with my attention, and I feed them with my thoughts. After a bit of time and You've almost finished reading a book full of ideas about concrete energy, the ideas often start sprouting offspring.

I allow them to management practices that people can implement next Monday

mix and mingle with each other; I let them connect, compete, cooperate, and copulate in the weirdest ways. Sometimes they make me the management of an organization. Management is too important blush. But the offspring are worth the trouble. I care for these new to leave to the managers! However, just copying ideas and practices ideas, and I try to make them healthy and strong.

from other sources is not enough to change an organization.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DONE



MB2-TEMPEST
MB2_T1

Section Done 6/10/10

Ben Re-design 2.35



MB2-TEMPEST
MB2_T1

T2
Re-design

Ben

trayer

Lullu 12+5+7
+6+5+5
New-Asset +5
Ben +4



GB2-MEGATHRON
GB2_T1

Kari +5
Re-design

20

Ben



OSD1-SALVAGE DRONE
OSD1_T1

NUMBER 10/11

New Asset

Ben



ORE-FRIGATE

T2

George 10/11/10
6/6

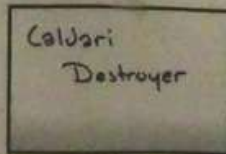
New Asset

KARER

Ben

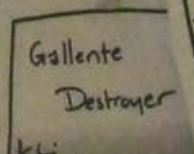
STABBER
RE DESIGN.

STABBER T2
RE-DESIGN



Calvari
Destroyer

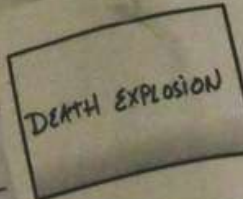
New-Asset



Gallente
Destroyer

Kari

10+20
+10+5
New-Asset



DEATH EXPLOSION

Re-Design
Ben / Andrew

Never forget that better principles,
not better practices,
are what organizations really need.

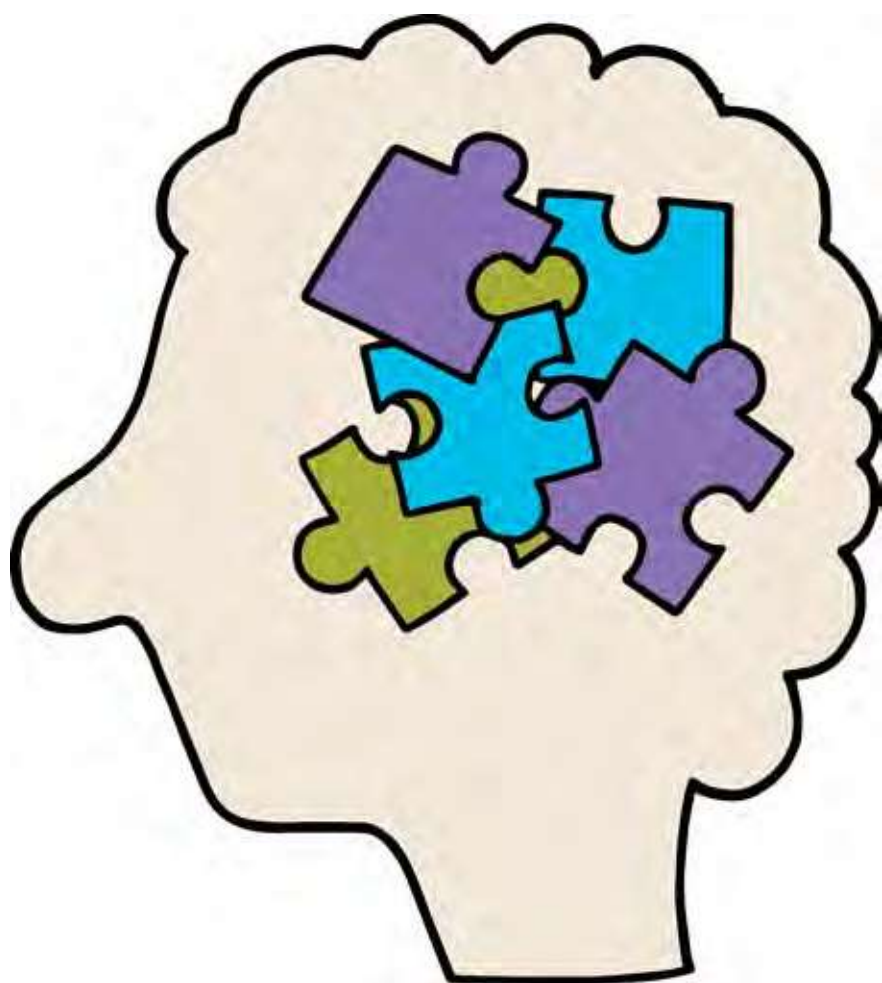
Never forget that better *principles*, not better *practices*, are what organizations really need. It is far too easy for organizations to let newly adopted good practices evolve [into bad principles!](#)⁴ Most workers,

however, don't know how to pursue abstract principles without concrete practices. Creative workers usually appreciate actionable advice. People tell me that they want to experiment with delegation boards, moving motivators, feedback wraps, merit money, and much more. With this book, I have tried to give you exactly that—much more. But these happier practices are just the start. Your goal should not be to merely implement the practices I gave you because this is unlikely to change any outcomes. Your goal is to teach the organization the new principles.

The world is too complex to give you merely a list of practices to follow. What managers in the twenty-first century need most is insight so that they can develop their own prescriptions for their own particular needs.

Daniel Mintzberg, *Managers*, [Not MBAs](#) 5

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But . . . We're Different!

Almost every time I'm in another country (did I tell you I travel a lot?), people ask me, "Is management different elsewhere?"

"Are better management practices more difficult in China?"

"Are problems in eastern Europe different from those in the West?"

"Is it easier to be agile in Scandinavia than in the United States?"

"How does business culture in *Holland* compare with *the Netherlands*?"

My answer is always, "Yes, things are a bit different." But this difference is a lot less than people seem to expect. No matter where I go, people have

the same problems with management and leadership; they notice the same challenges with self-organizing teams; and they report the same findings about business transformation and organizational culture. Certainly, some (generalized) cultural differences between countries are real. The Germans are straightforward and the French *own country*! I've noticed, again and again, that cultural differences are sensitive. The British are polite and the Dutch are blunt. But you'd between geographical areas pale in comparison to the cultural difference between an idiot—remember, I'm Dutch—to see this as an obstacle.

ences between industries, job types, and companies.

Business culture trumps geographical culture—always. In my experi

Don't get me wrong. I don't mean that we can safely ignore regional

ence as a manager, I noticed that the differences between development cultures. I just mean that, when people are always focusing on the differences in the Netherlands and developers in Ukraine were insignificant differences between countries, they tend to overlook the much richer when compared to the differences between *developers* in the Netherlands in their own backyard. They also overlook the many ways in which *account managers* in the Netherlands. Likewise, the cultural which different workplaces around the world are actually quite similar differences between our two offices in the Netherlands and Ukraine. Perhaps we should stop focusing on how people in other countries were nothing when compared to the differences between our Web are different. We can solve more problems when we realize how

development company and . . . oh, let's say an investment bank, a much we are actually the same, and how much we can learn from beer manufacturer, or, God help us, a government institute *in our* what others are doing on the other side of the world.

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But ... It Doesn't Work!

Be aware that "learning what others are doing" is not the same as

CONCLUSION

“doing exactly what others are doing.” Say that a cook uses a recipe Great workplaces become great due to their own found online, decides to follow it to the letter, and the apple pie doesn’t come out as expected. Did the recipe “fail”? What if the cook unique approach. Assuming that there is “one

HAPPINESS

says, “Apple pies don’t work around here. We tried. Nobody liked FOR them.” Would that make sense?

best way” can slip you into an external locus of

GING

You may remember the story of my horse ride in the Andean moun control pretty quickly.

MANA

tains of Chile, which I shared with you in Chapter 3. The ride started with a four-hour trip. It had been raining all day, and everything was

Jennifer Robin and Michael Burchell, [*No Excuses* 6](#)

wet, and I had scraped my leg against a rock, and we were tired and

cold and grumpy, and my horse was trying to bite the other horses, A recipe is just a sequence of suggestions, nothing more. A cook and basically, everyone in the group was feeling miserable, horses cannot say, “The recipe doesn’t work,” because the recipe doesn’t included. That is, until we arrived at our destination, a cabin deep in *do* anything. The one who does all the work is *the cook*. If you don’t the forest. The place was

lovely, warm, and cozy. And Jane, the Ameriget what you hoped for, my guess is that you may be inexperienced can tourist who had arrived a day earlier, had baked an apple pie for in the current environment and need some time to learn how to everyone. It was deeeeeelicioussss. Jane felt a bit unsure because she *adapt* the recipe. Maybe you didn't compensate for the bigger-thanhad to adapt her recipe due to not having some of her favorite ingreaverage eggs that you used, or the hotter-than-intended oven, or dients, having a strange kind of apple to work with, and having to use the different brand of flour, or the bland taste of the cheap spices a simple wood oven that didn't have CoolTouch, FanGrill, or PyroTech you purchased in the convenience store, or the various culinary features. But she had adapted remarkably well. Her apple pie was the preferences of your guests. "The recipe doesn't work" is shorthand best thing that could have happened to us after four hours of Andean for "I haven't yet worked out how to adapt the instructions to local suffering.

circumstances and *make* a version of the recipe that works."

It's the same for any other useful practice, whether it's a recipe for cooking, a management practice, or a workout exercise. *Of course*, things often don't work exactly as prescribed somewhere else in the world. You have to make an effort to *make* things work. Be like Jane, work with what you have, and learn to be great. Apply the practices in your own unique way.

Management Habits

**This book is full of suggestions for happier management, and I'm sure
Now it's up to you!**

**it's just the tip of the iceberg. Many other people have great ideas for
concrete practices that can help you to motivate any team. In fact, It's
your turn to make things happen by implementing practices and there is
no shortage of ideas. There is a shortage of commitment to experiencing
principles. With some practices, this may involve con-making them
happen.**

**vincing a manager to make time, space, or money available for your
experiments. Convincing managers of the benefits of new ideas is
best done by delivering on commitment in order to create trust,
There is no shortage of ideas.**

**always trying to solve your manager's problem first, and experiment-
[ing with new ideas in safe-to-fail environments.](#)⁷**

There is a shortage of commitment

**With other games, you don't need anyone's cooperation and you
to making them happen.**

**can just start right away. Usually, the main challenge here is to keep
exercising regularly. The benefits of new practices may take a while**

to reveal themselves. Your efforts should focus on finding the right

The world is too complex to merely give you a list of practices to triggers that make it easy to initiate good behaviors, and finding short follow. This is why I started this book describing the principles of feedback loops that reward you and enable you to turn the practices Management 3.0. Just giving people a few principles, however, is not [into habits.8](#)

enough to improve behaviors. Most people may understand principles intellectually by hearing about them, but they only truly grasp For all tools presented here, I can say they have already proved their their significance by experiencing them. It's the experience that fol-benefits for other businesses, but you must try them for yourself and

lows from adopting good practices.

make them your own.

Trying to copy or reproduce another company's tools, techniques, or principles does little to change an organization's culture, its way of doing things. For example, how do you get people to actually live principles? On the other hand, focusing on developing daily behavior patterns is a leverage point because, as the field of psychology shows us, with practice, behavior patterns are changeable, learnable, and reproducible.

Mike Rother, *Toyota Kata*9



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<http://www.flickr.com/photos/notsogoodphotography/6608891363>

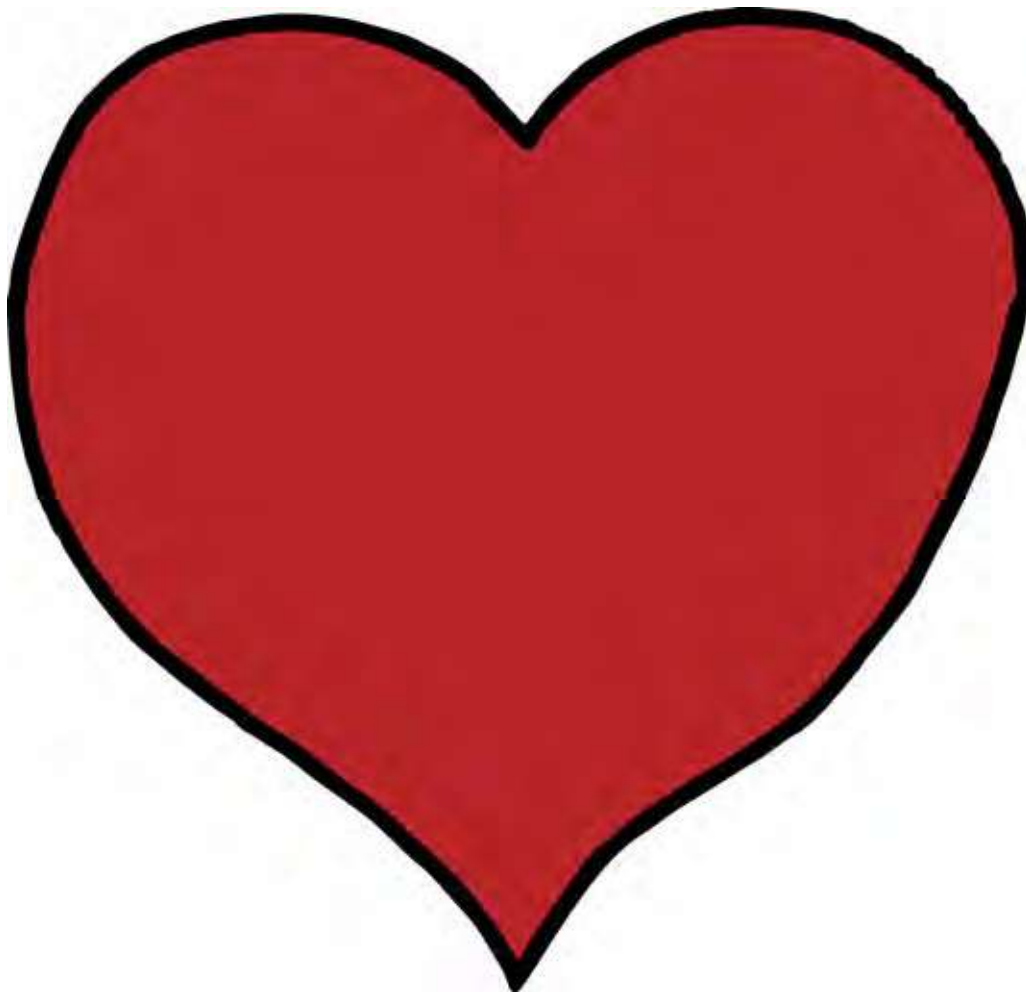
A project wizard

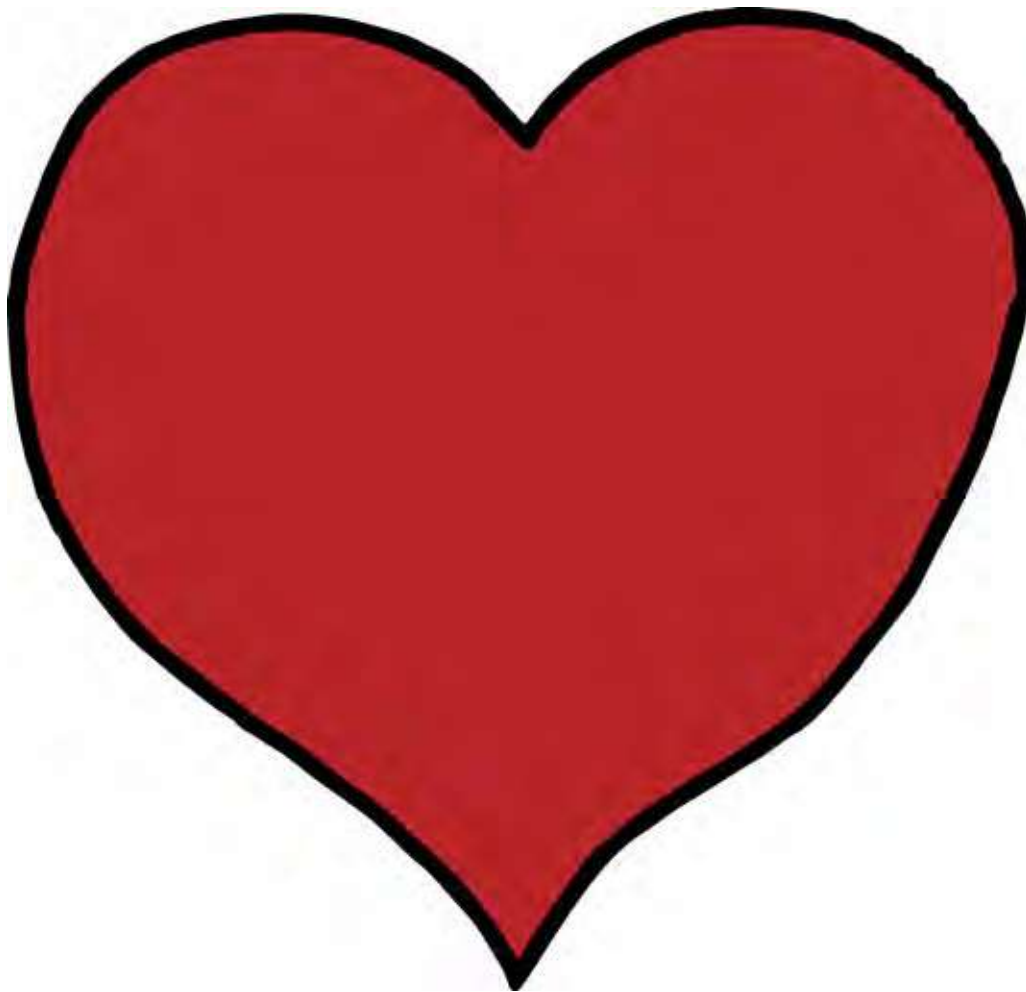
“If I have to say one thing about your work, it is complexity theory and systems thinking that I have been able to use the most. Knowing that it is all about how the entire system acts on individuals, and how individuals act on the entire system, has made me more confident and systematic as a project manager and as a change manager.

I know that what I need to do is to locally construct just enough boundaries and feedback mechanisms to get go

ing and improve from there. My managers are impressed and I enjoy my work. An identity as ‘the project wizard’ has stayed with me.”

Johan Dahlbäck, Sweden





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I Love Management

I remember well that I hated management many years ago. I hated checking whether people had done what I told them to do. I hated doing performance appraisals. I hated negotiating individual salaries and bonuses. I hated aligning teams with top management's business-strategy-of-the-week. And I hated wearing a suit and tie while all the

nice people were wearing jeans and sweaters.

It took me a while to understand why, but now I know.

It was *bad* management I hated.

It's different now. These days I love giving direction to the Management

3.0 licensing program.

I love discovering the intrinsic

motivation of people, inspiring them with storytelling, and discussing

Now it's easy to underconstraints with self-organizing teams and facilitators. I love developstand why.

ing courseware and measuring my progress when writing or speaking.

I love being one of the founders of both the Agile Lean Europe network I

love *good* management, and it and the Stoos movement, and I love

developing and nurturing our seems I'm one of the few people in Happy Melly business. Oh, and I love wearing jeans and sweaters.

the world who actually loves his job.

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Life is too short

to spend in jobs we don't love

CONCLUSION

HAPPINESS

"I was in the middle of designing a complex 360-degree evalu

job, you have three options: Ignore it, quit your job, or try to

FOR

ation system when I heard about Management 3.0 for the first change the organization.' It was like hitting a switch and turning GING

MANA

time. One of my friends told me about a course in Turkey and on the light! I did my best to convince my boss and the board I decided to take this opportunity. After the course, I returned about the problems people had with their management style.

to work with several ideas, including the merit money practice. I was sure that something would change: Either management It was a much simpler method than the system I originally had would improve or I would leave.

in mind. We started it with 20 people in three teams. Nobody

argued about its fairness. It was entertaining; it caused many fun And indeed, things changed! I left the company along with sev discussions among teams; and it gave me a simple metric that eral people from our teams. We created our own workplace, in was not based on my own subjective opinion.

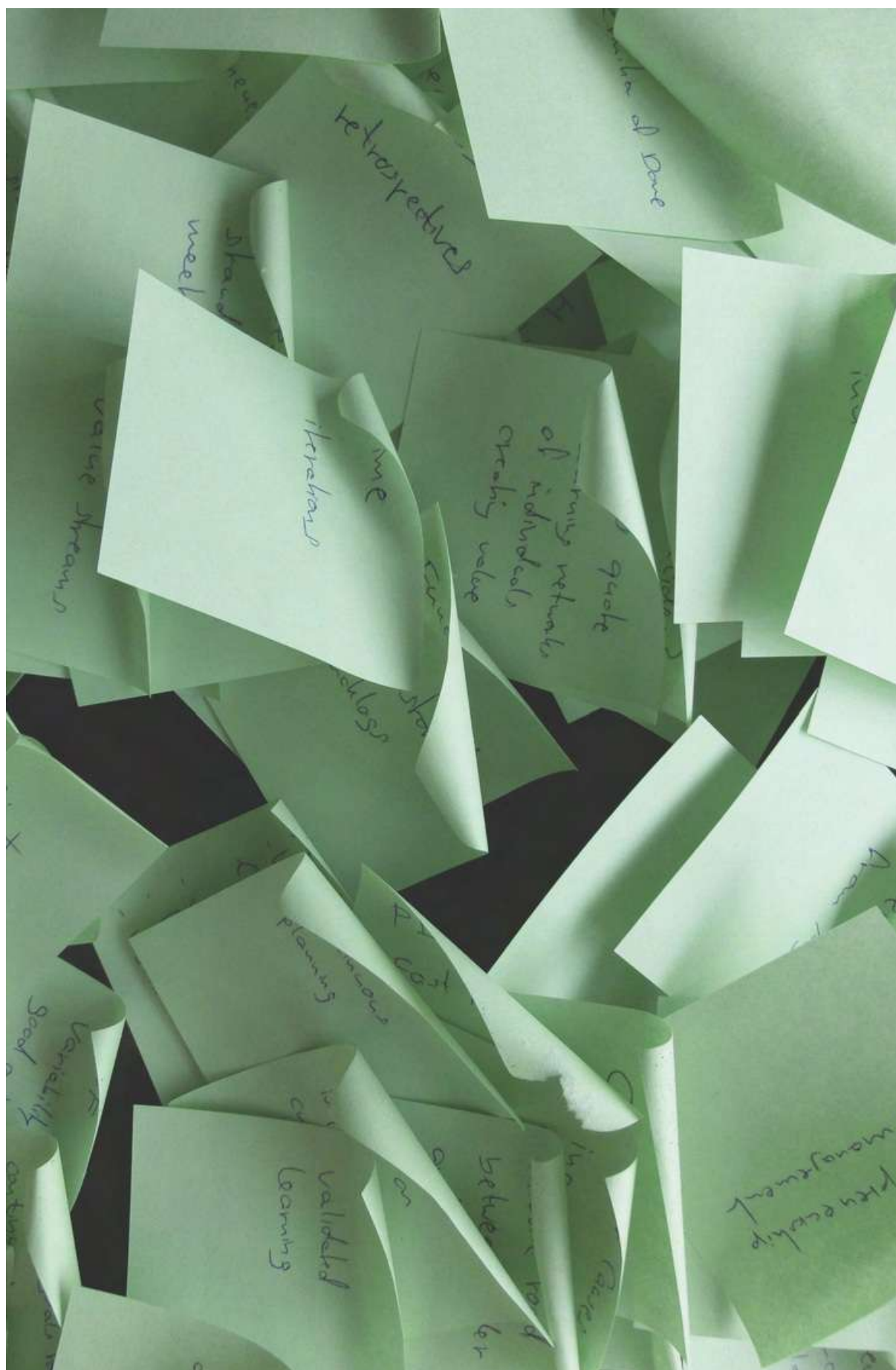
the way we wanted, and without burning somebody else's mon

ey. ;-) Now we are not employees but initiators. We realized that

There was also a little book in my bag called *How to Change* life is too short to spend our lives in a workplace we don't love."

the World that I had received at the course in Turkey. The book

started with a simple argument: 'If you are not happy with your Alix Moghadam, *Iran*



When I started writing this final chapter of my book, I received the following message from a reader: I find your work not just interesting, but also impor

tant, helping people and organizations to cope with the challenges at work every day. I also find that it is very important in efforts to innovate the way we are organizing work today.

Lazar Todorov, *a kind reader from Germany*

I often maintain a healthy skeptical attitude toward any claims and praise in the e-mails I receive, but for messages like these, I gladly make an exception. ;-)

Hopefully, I have given you enough inspiration to motivate any team and manage the workplace for more happiness. With this book, you now have serious games to help improve organizational culture,

simple practices that increase employee engagement, creative stories that inspire teamwork and collaboration, new ways to achieve team accountability and responsibility, concrete steps toward more

creativity and innovation, easy exercises to make the business more agile, and modern tools that enable people to enjoy a happy Monday.

Now you can change your organization's culture, step-by-step, by engaging your people, improving your work, and delighting your clients. Manage for happiness and motivate any team.

Have fun!

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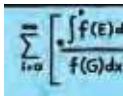




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work expo

symbols

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Invite Workers to Create

a Shared Identity

improvement dialogues

and copilot programs

Improve Performance

through Collaboration problem time

Keep Solving Problems

work profiles and

and Deliver Value

project credits

Shift Focus from Job Titles to Reputation

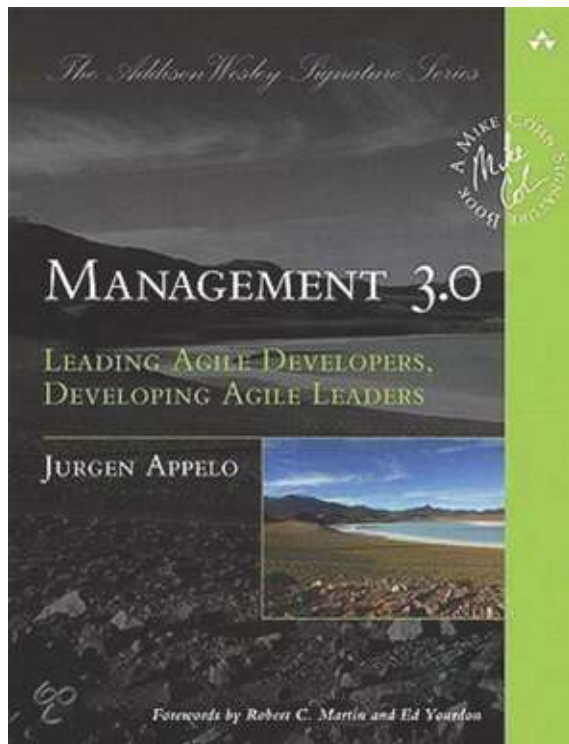
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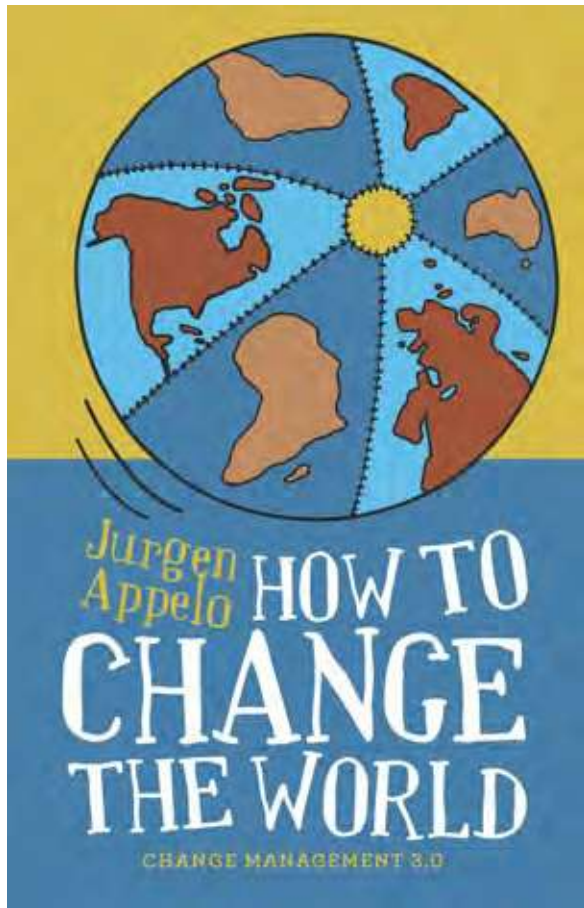
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Other Books by Jurgen Appelo

It is one of the questions we get most often: How do I deal with my crappy organization? I like my work but I don't like what our management is doing. How do I deal with it? Well, that's easy. You have three options: (1) Ignore it; (2) quit your job; or (3) learn about change management. This booklet for those who choose option 3.

m30.me/hcw

Agile management is an often overlooked part of agile. There are at least a hundred books for agile developers and project managers, but very few for agile managers and leaders. However, when organizations adopt agile software development, not only developers and project managers need to learn new practices. Development managers and team leaders must also learn a different approach to leading and managing organizations.

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Jurgen



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About the Author

UTHOR A

THE

Jurgen Appelo is pioneering management After studying software engineering at

to help creative organizations survive and the Delft University of Technology, and

thrive in the twenty-first century. He offers earning his master's degree in 1994, Jurgen ABOUT

concrete games, tools, and practices, so you has busied himself starting up and leading

can introduce better management, with a variety of Dutch businesses, always in

fewer managers.

the position of team leader, manager, or

HAPPINESS

executive. Jurgen has experience in leading

Jurgen calls himself a creative networker. a horde of 100 software developers,

FOR

But sometimes he's a writer, speaker, trainer, development managers, project managers,

GING

entrepreneur, illustrator, manager, blogger, business consultants, quality managers,

reader, dreamer, leader, freethinker, or . . .

service managers, and kangaroos, some of

MANA

Dutch guy. [Inc.com](#) has called him a Top 50 which he hired accidentally.

Leadership Expert, a Top 50 Leadership

Innovator, and a Top 100 Great Leadership Nowadays he works full-time developing

Speaker. Since 2008, Jurgen writes a innovative courseware, books, and other

[popular blog at NOOP.NL, offering ideas on](#) types of original content. But sometimes the creative economy, agile management, Jurgen puts it all aside to do some

organizational change, and personal programming himself, or to spend time on his

development. He is the author of the book ever-growing collection of science fiction and

Management 3.0, which describes the role fantasy literature, which he stacks in a self-of the manager in agile organizations, and designed bookcase. It is 4 meters high. Jurgen

he wrote the little book *How to Change the lives in Rotterdam* (The Netherlands)—and in *World*, which describes a supermodel for Brussels (Belgium)—with his partner Raoul change management ([management30.com](#)). and a Wi-Fi network called Scooby.

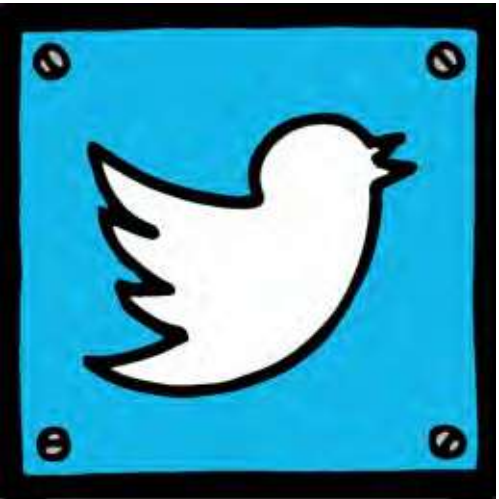
Jurgen is founder of the business network

Happy Melly ([happymelly.com](#)). He is also

a speaker who is regularly invited to talk at

business seminars and conferences around

[the world \(jurgenappelo.com\)](#).





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Co-Creators

UTHOR A

THE

It is impossible to write a book like the It would have been a boring book without the Erik Weber, Inga-Lill Holmqvist, Jan Pastwa, one you've just read without the help of a wonderful stories and contributions offered Janka Haderkova, Jorge Ronchese, Ken supportive community of friends, partners, by Agnieszka Zimończyk, Alix Moghadam, Weir, Koen van Wijk, Matthias Wolf, Max ABOUT

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Vijay Bandaru, Voranc Kutnik, Wim

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I offer my apologies for the deplorable quality

by Anthony Claverie, Dave Brands, Gary The book would have been a pain to read of all the illustrations. I made them myself.

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Robie Wood.

Caspar Below, Craig Brown, Dan Woodward,

Derek Graham, Eduardo Scudeler Fernandes,









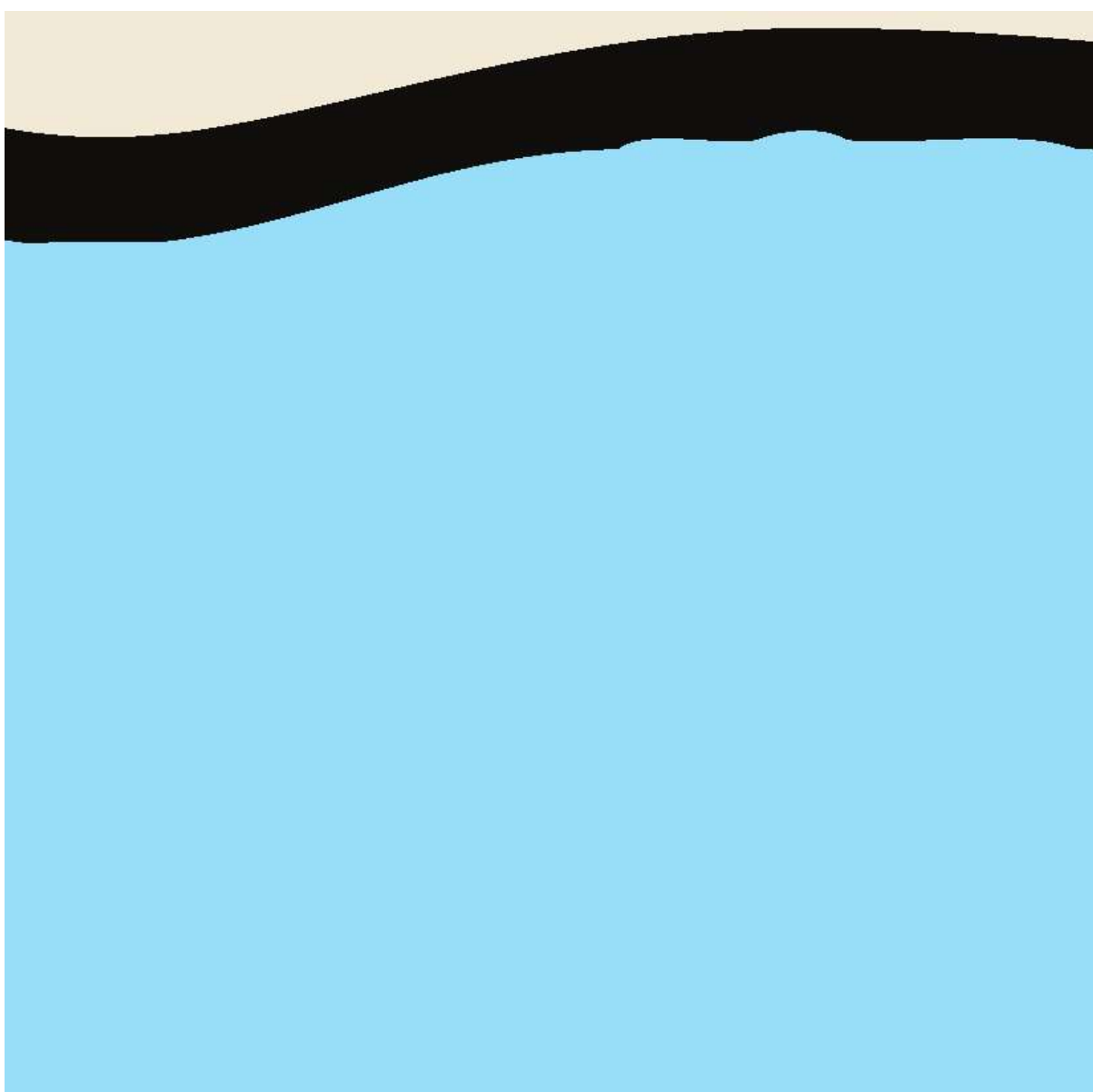
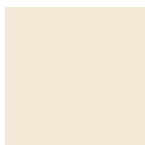


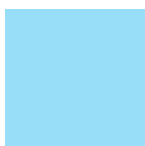
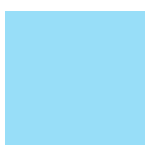
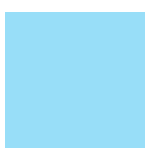
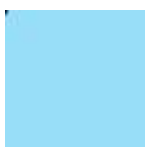


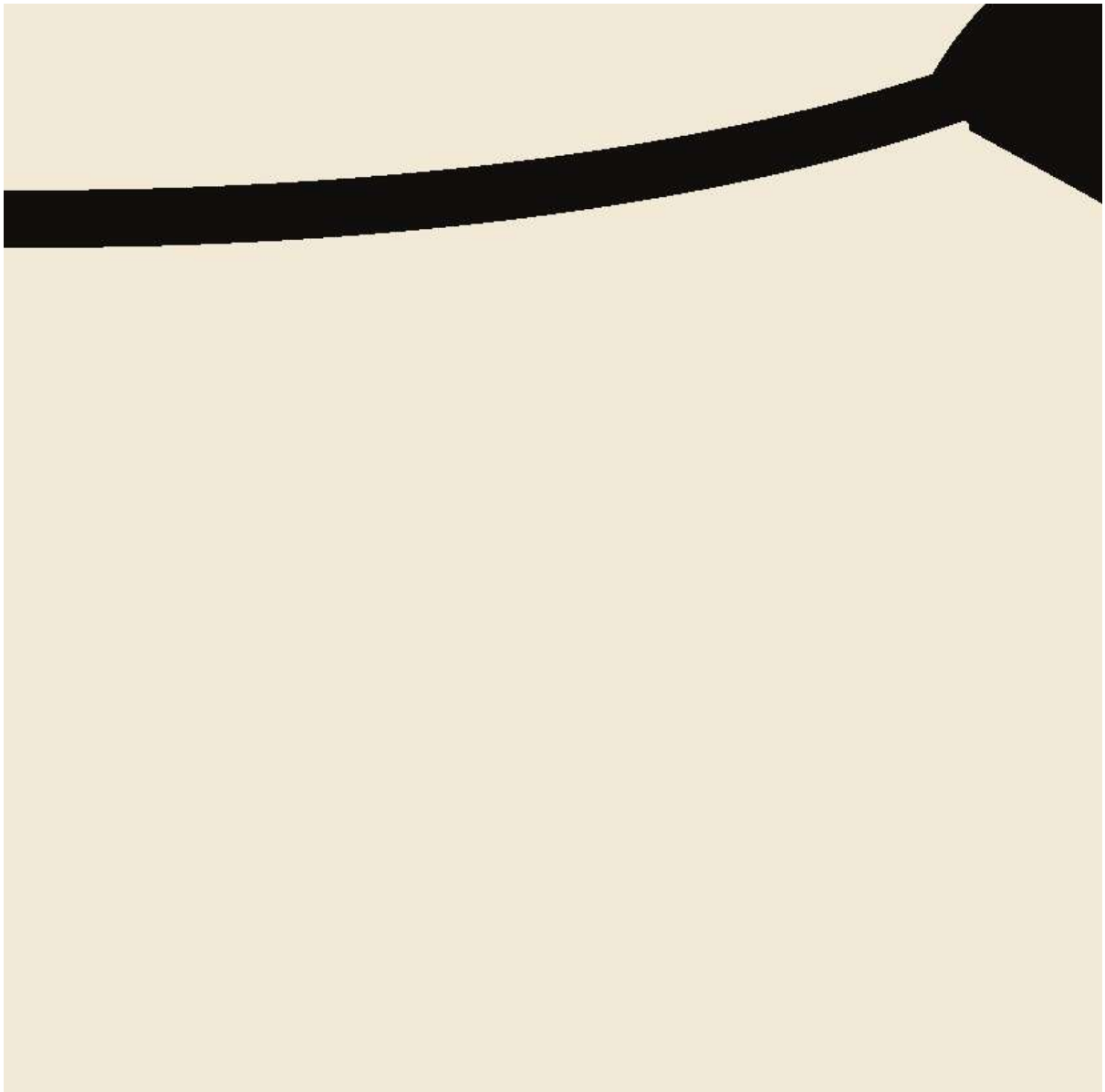


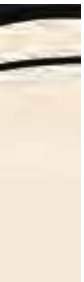


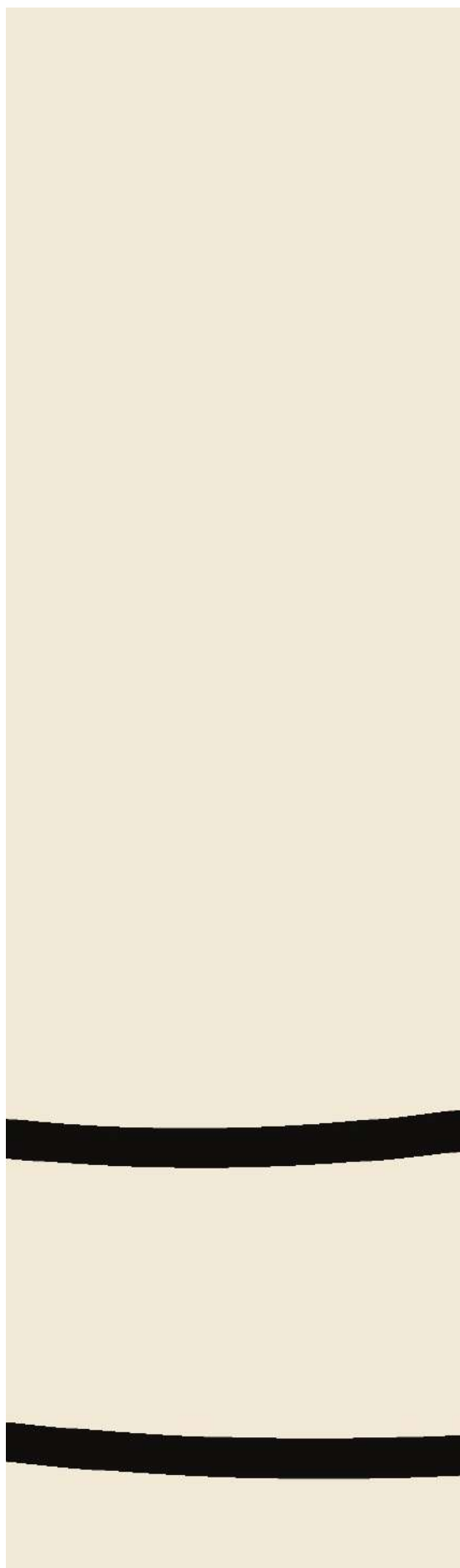


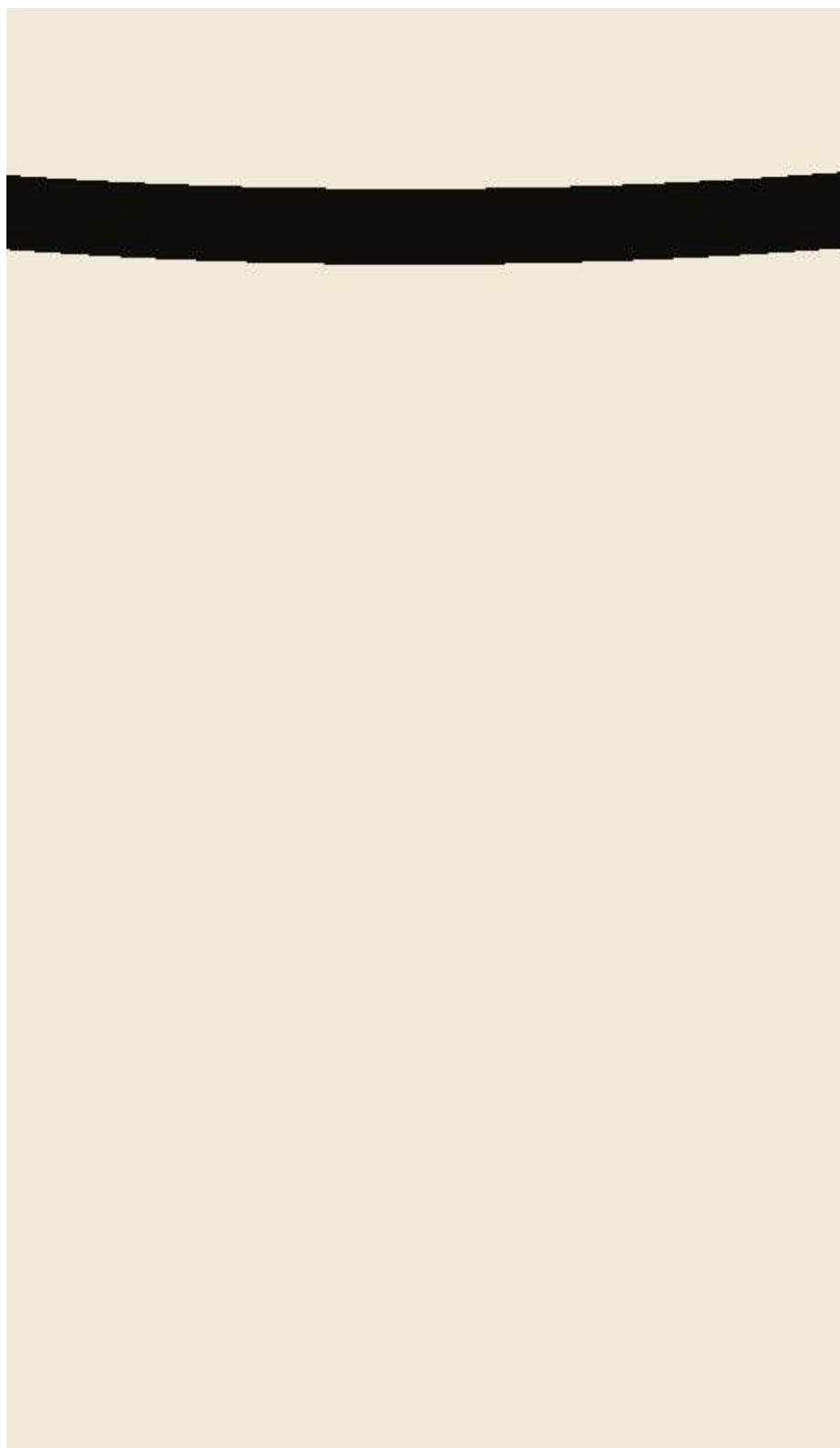






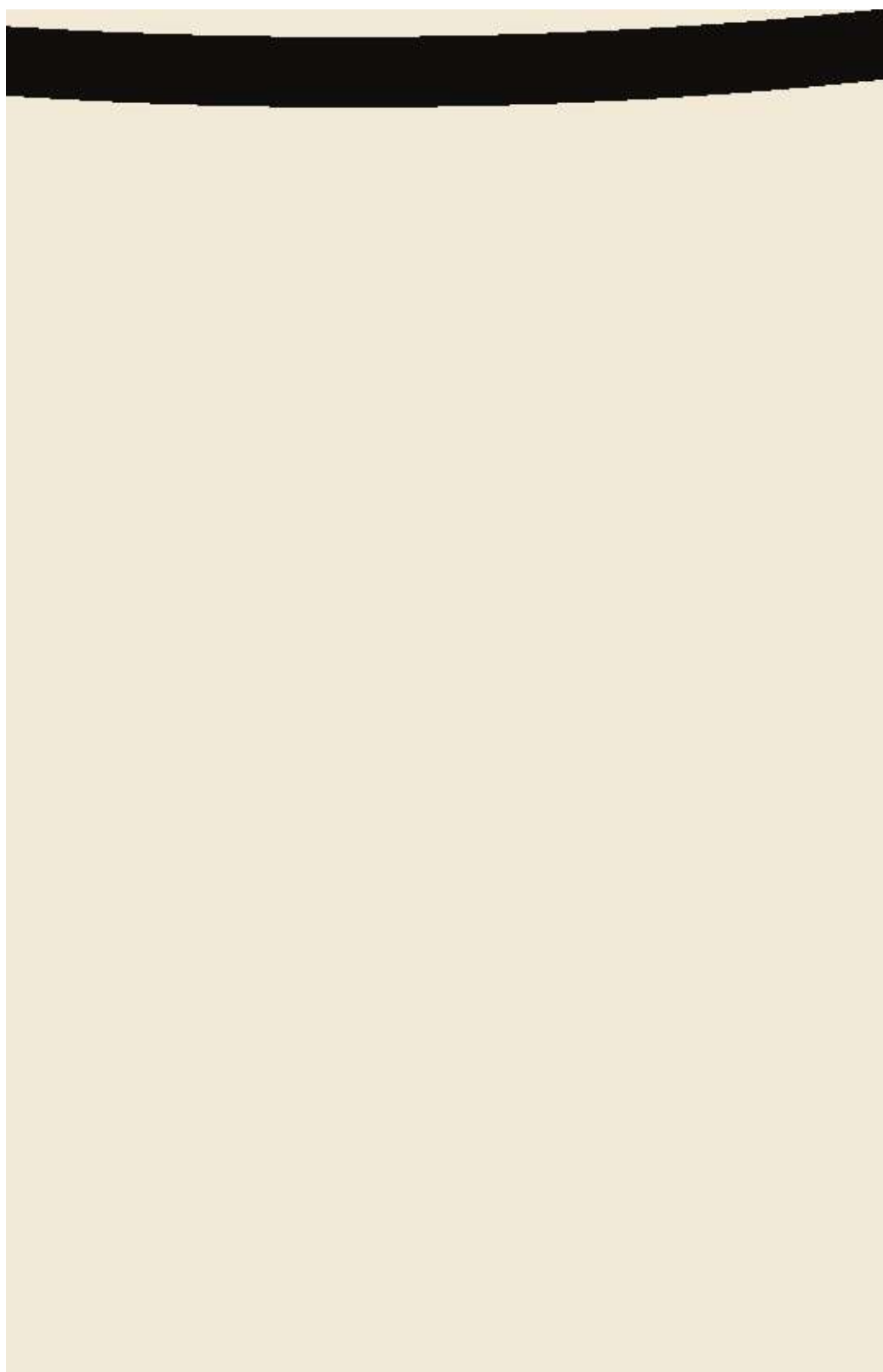




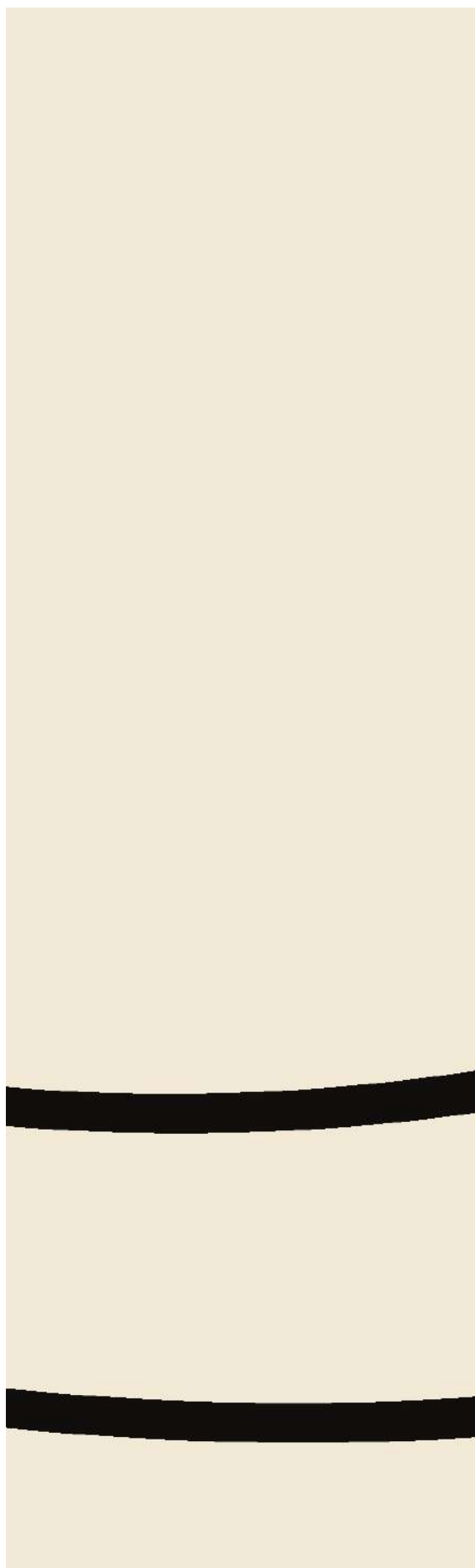


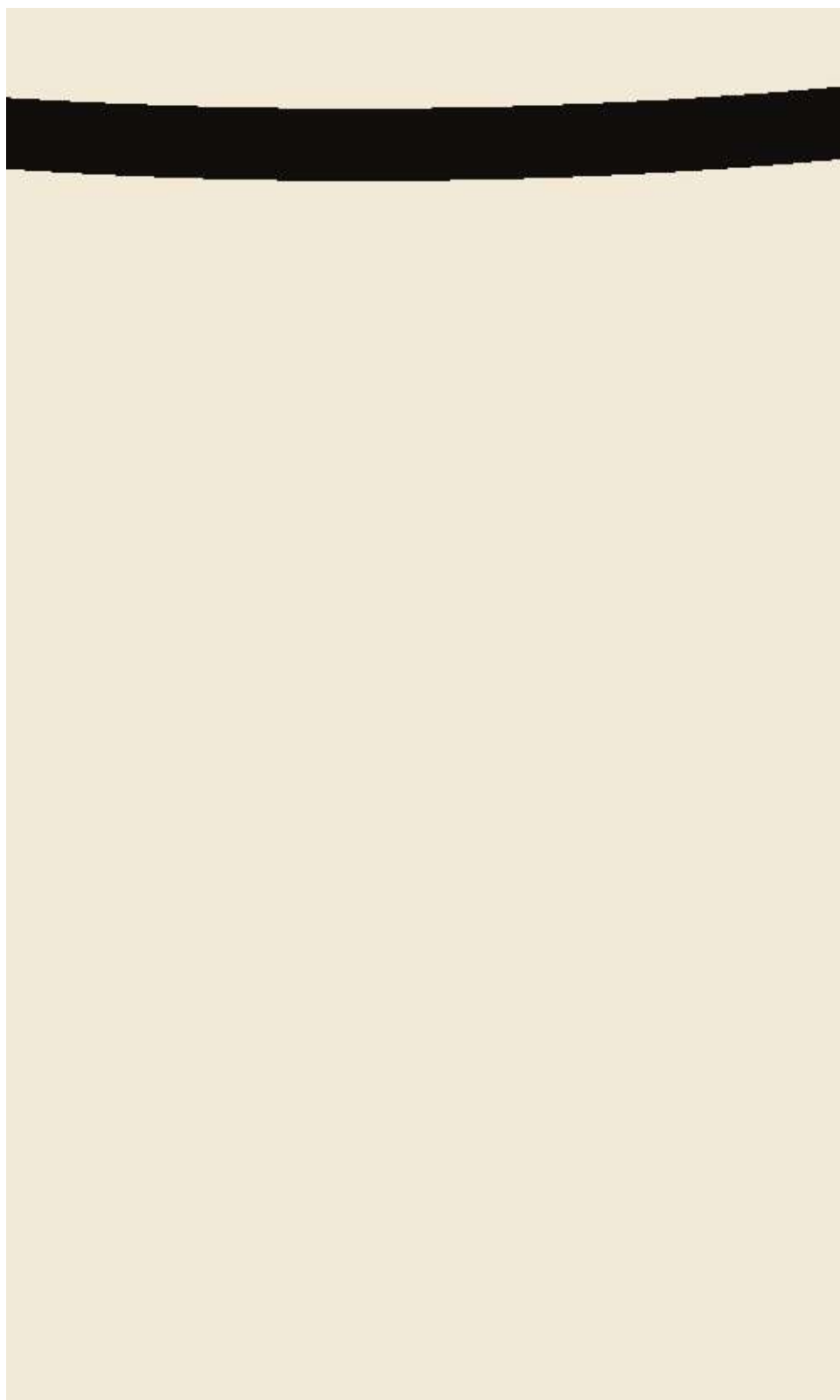




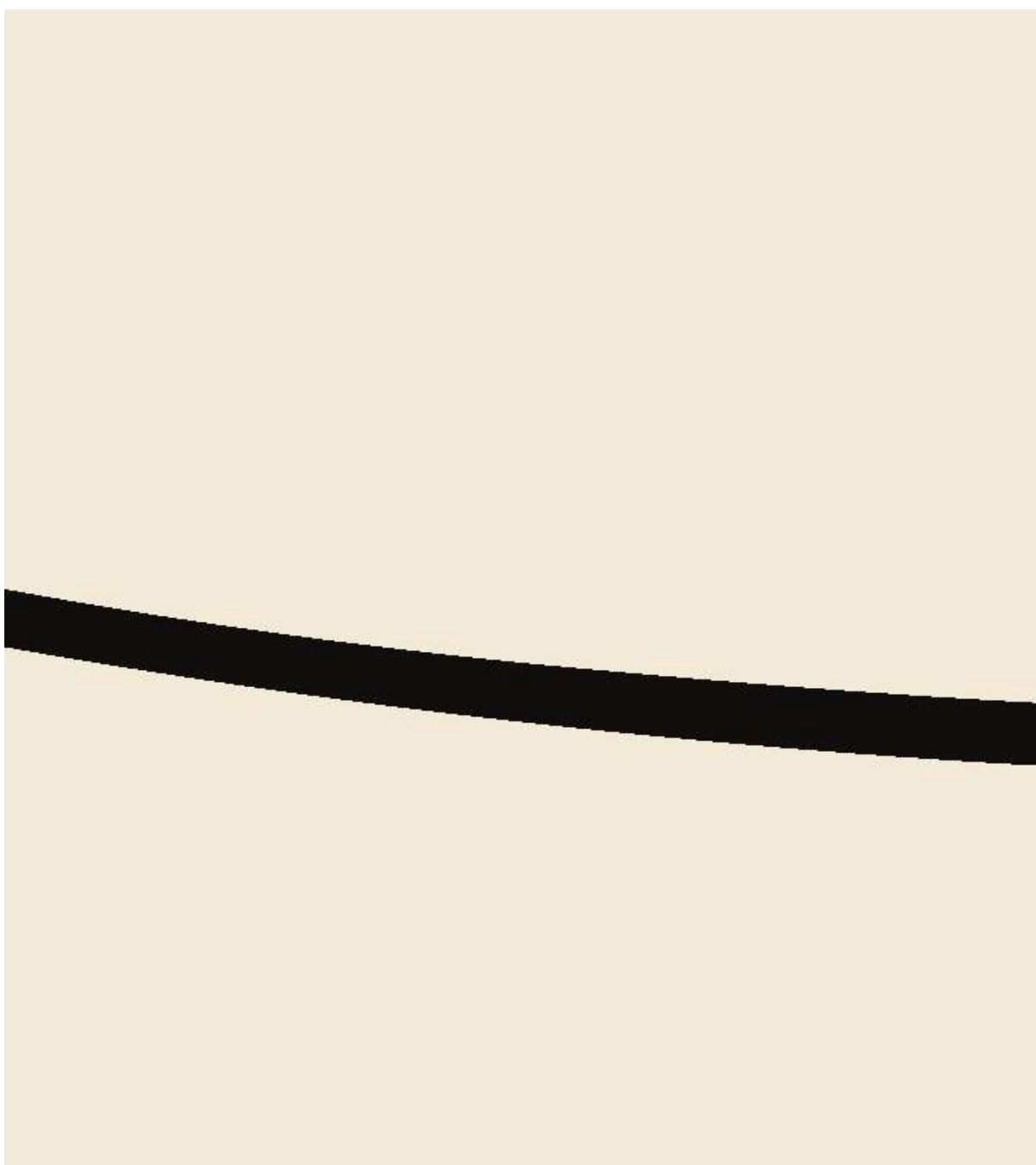










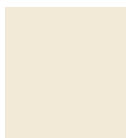


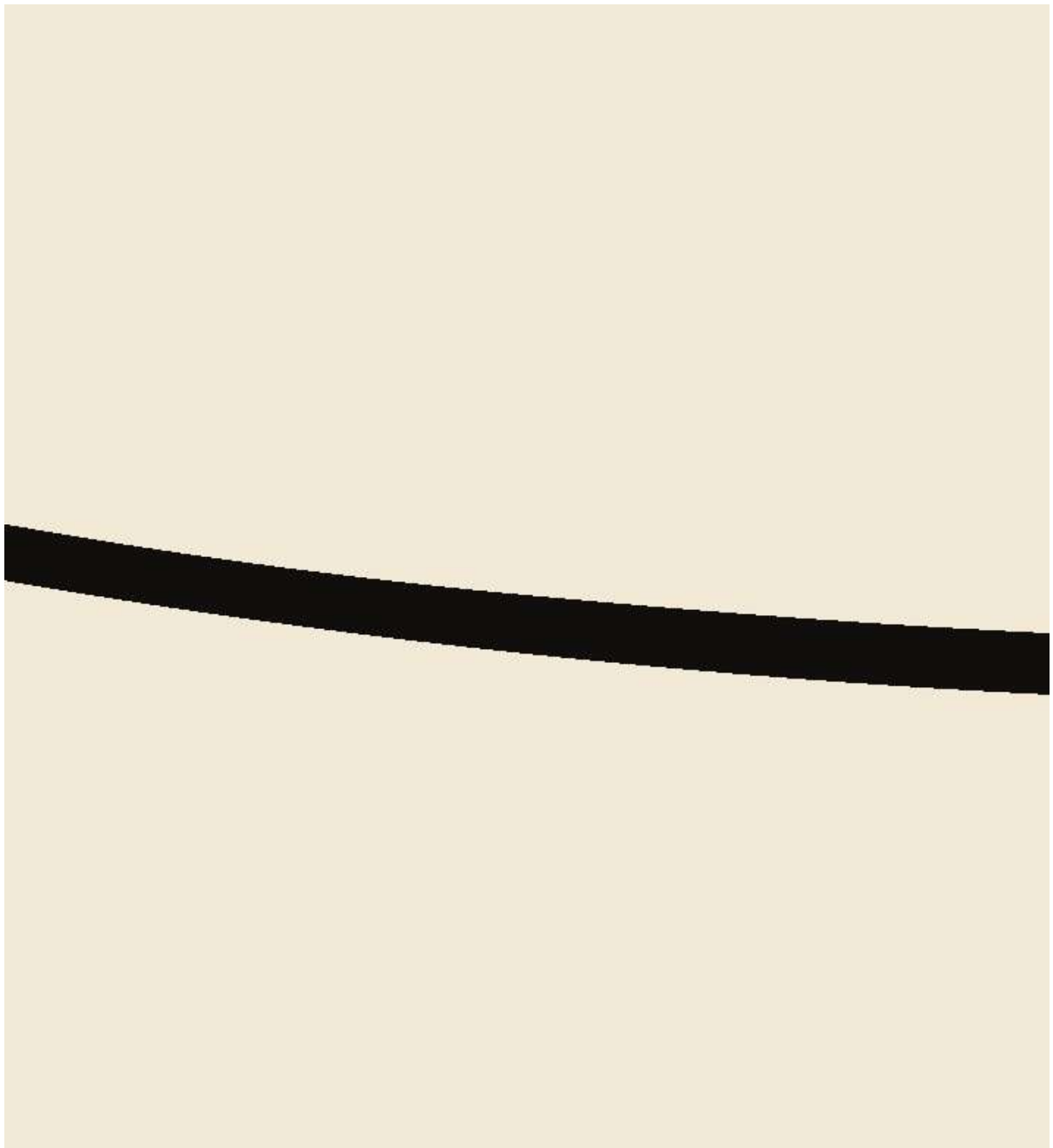




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I would never call myself an artist or professional illustrator. But every now and

then, I like working with pencils and pens

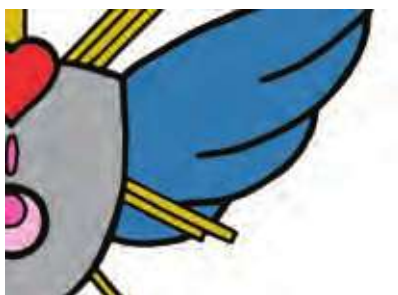
and I noticed that people appreciate the

“personal touch” that my illustrations

add to my books.

,









In fact, you can start by downloading all illustrations that I made for my first three books, including this one! Yes, it is all free. And yes,

you may use them in your own work, commercial or not. I would just appreciate it if

you would you credit me, with a link to one

of my websites.

.....

However, what I really hope is that you start

drawing yourself. The world already has too

much stock photography!

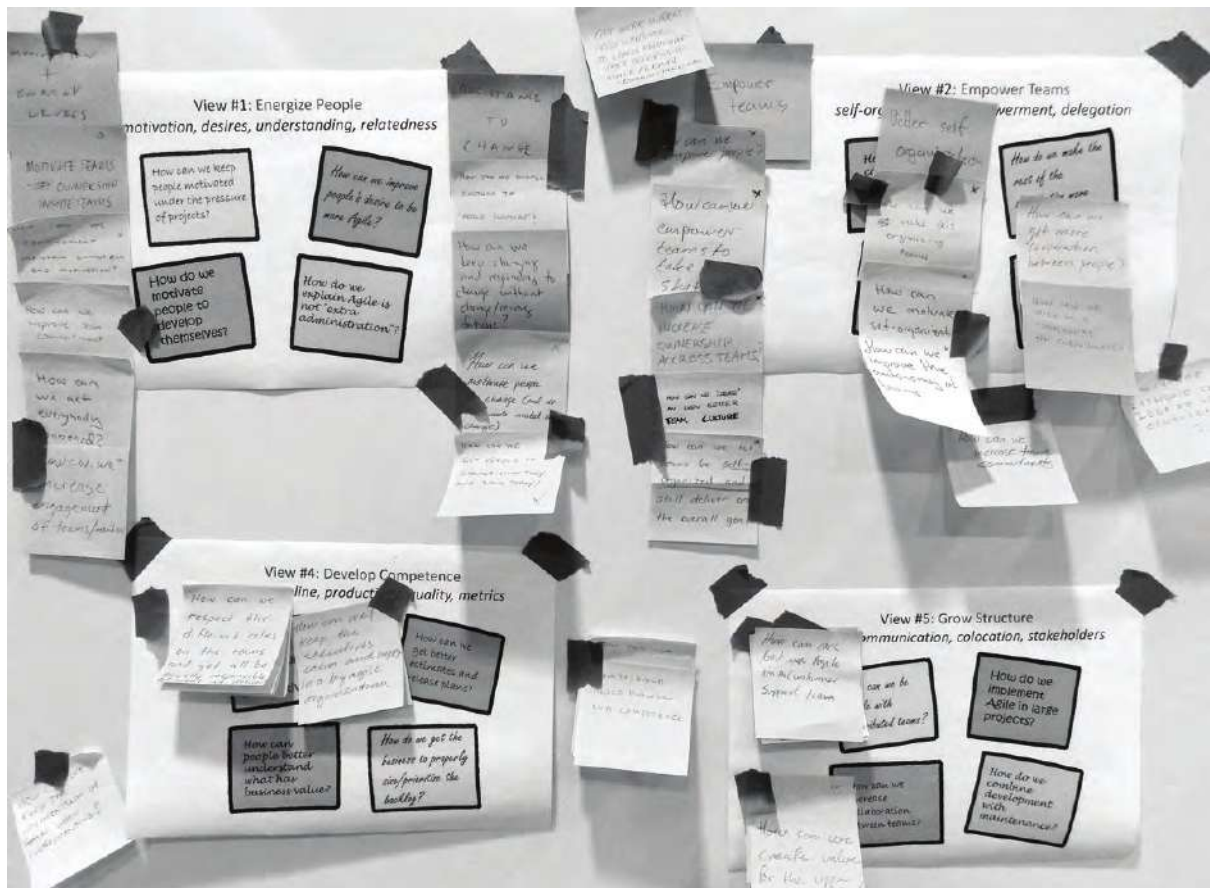


The Management 3.0 events aim at leaders and knowledge workers who are trying to be more agile and lean in their approach to management. The courses and workshops typically draw a mix of team leaders, development managers, directors, agile coaches, HR managers, project managers, and creative workers.

The most important goal for Management 3.0 events is for people to take action to improve their organizations. All events adhere to the following principles: theory and practice in small chunks; clear and effective visuals; inspiring stories and metaphors; fun games and exercises; focused group discussions; and concrete practices with tangible results.



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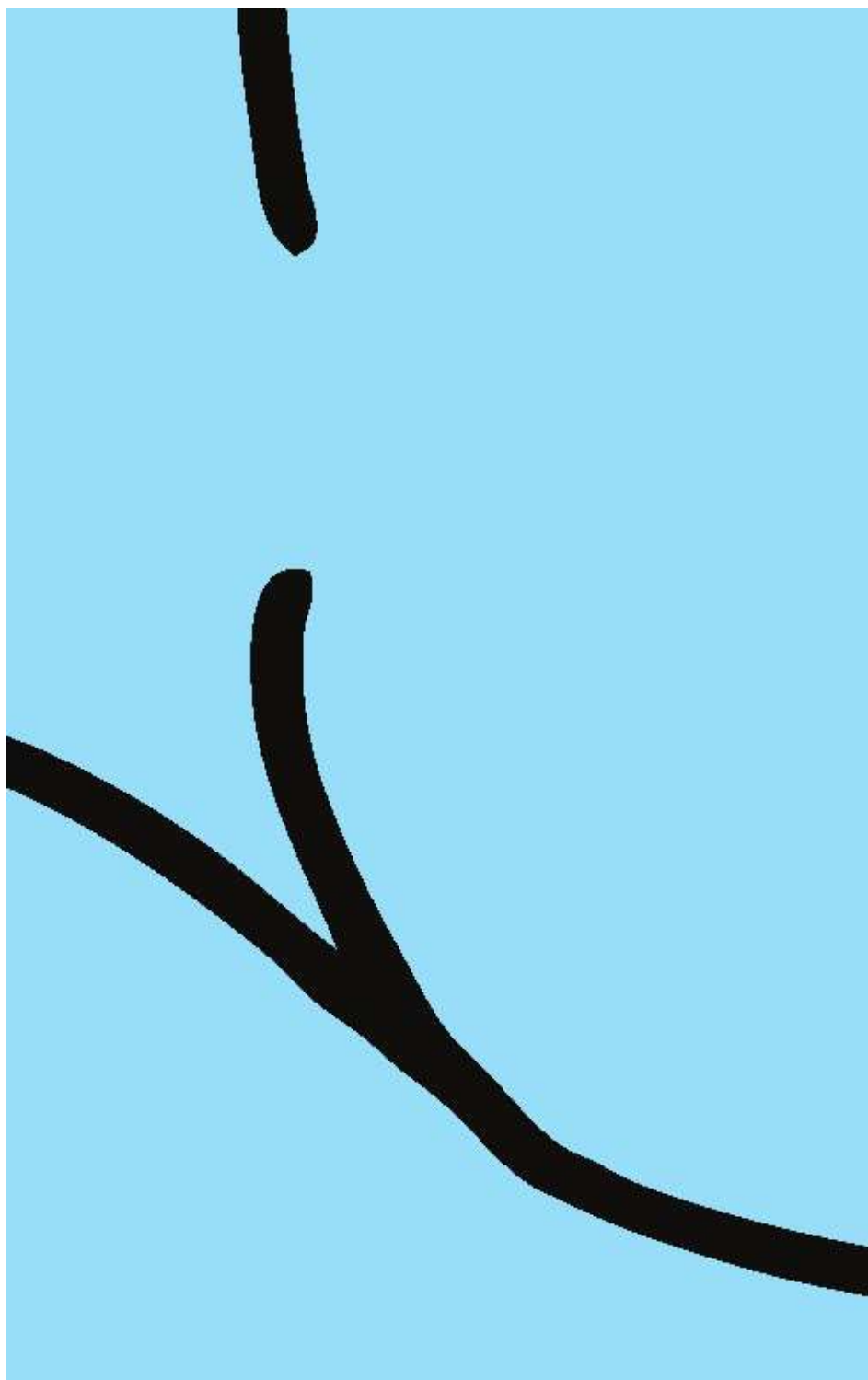


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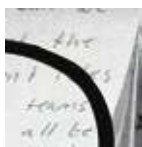
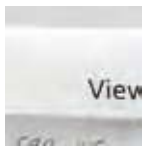


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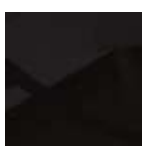
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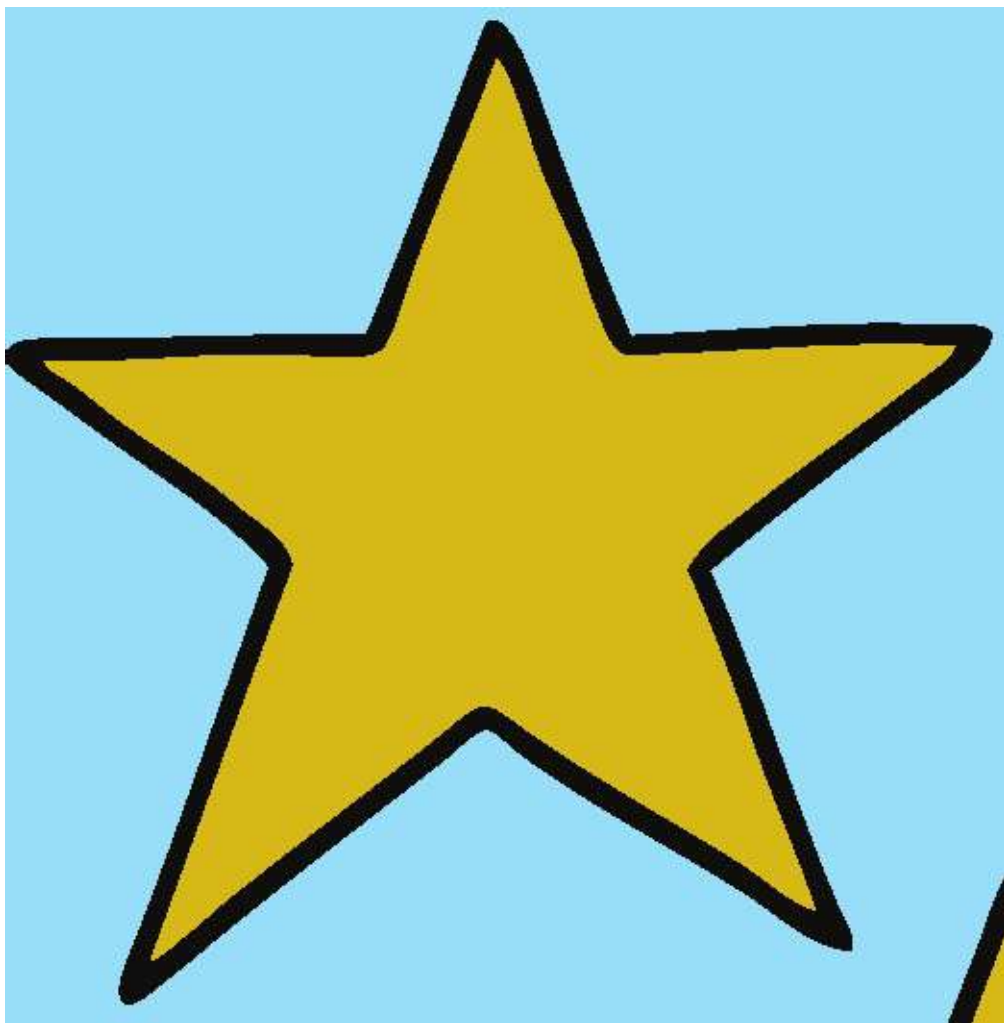
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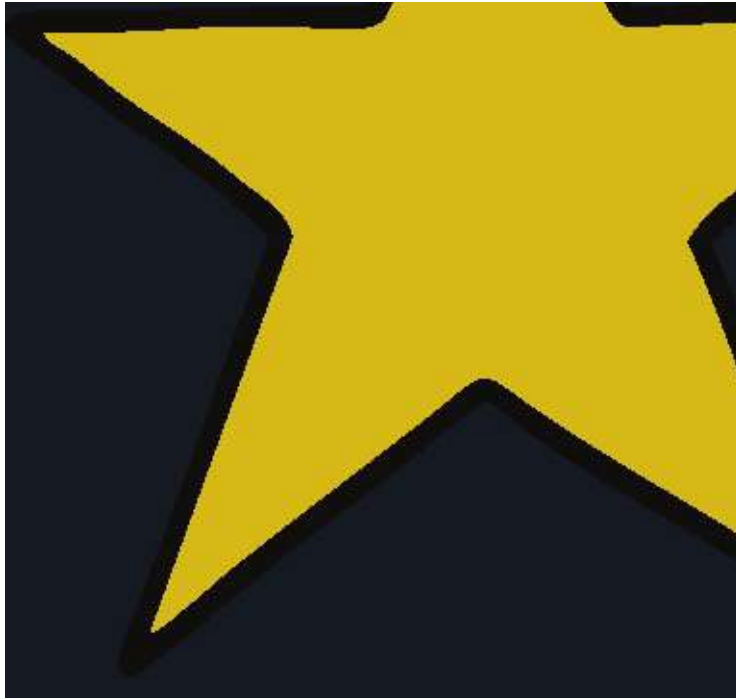












Just the right amount of theory vs. exercises, general experience vs. each participant's experience, one-way teaching vs. two-way sharing/feedback.

Claudia Daniela Hosu, *ScrumMaster at Small Footprint, Romania*

I had so many takeaways, almost everything. I would say: complex systems

discussion, a lot of metaphors, 7 levels of authority, discussions of challenges,

loved all the stories. Great great great course!

Tali Goshen, *VP of Human Resources at superDimension, Israel*

I liked the mix of play and listen. I liked that every topic started with storytelling.

Christoph Oberle, *Management Consultant, Germany*

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