

The Performance Paradox

By Stephen Shapiro

Every organization dreams of finding the magic bullet that will increase creativity, boost productivity, and improve morale. Surprisingly, some of the best solutions are counter-intuitive and run against conventional wisdom.

Keep Your Eye on the Present

A few years ago, I worked with a Formula One racing team. Pit crews, consisting of 19 people, service these ultrafast, high tech racecars, refueling, changing tires, and performing required maintenance in a matter of seconds. They continually shift positions to find the best combination for the optimal configuration of the team. As they practice, a stopwatch measures their time to milliseconds. Ultimately, no matter how hard they tried, they couldn't go any faster. They hit their performance plateau.

Then, they tried NOT to concentrate on their time but on their style instead. While advised to go fast, this time their movements were more significant than their speed. Astonishingly, the crew shaved several tenths of a second off their best time even though they "felt" they were slower. This experiment, in itself, reinforces the concept that the more you focus on your goals, the less likely you are to achieve them. By worrying about the future, you take your eye off the present.

In higher intellectual activities, the results are even more pronounced. Take the true story of a high school student who became increasingly anxious over passing her upcoming final exam in math, always her weakest subject. She

studied incredibly hard, all the time focusing on her goal to pass her exam. In spite of her efforts, she failed. She pleaded with her teachers to give her one more chance. They did. This time, instead of concentrating on the goal, she used a powerful creativity technique. Her first conscious thought each day when she awoke was to visualize herself as Condoleezza Rice, the U.S. Secretary of State, a very successful, highly educated woman. Dr. Rice wouldn't worry about a high school math exam, right? By imagining she was someone else, she stopped agonizing and gained more confidence daily. By focusing on the present rather than the result, she scored a 93%, her greatest performance with less effort.

Dare To Be Different

Does this also apply to sales? Can we perform better when we don't focus on our sales goals? A woman's clothing store had a competition to determine who among its employees could sell the most in two months. The winner would receive a bonus and, possibly, a raise. All had their eyes on the prize, except for one sales rep who decided on a different approach. Instead of trying to make a sale, she zeroed in on serving the customer. If a customer needed help for eight hours to pick out a blouse, that's what she would do. If she felt customers would find a better product at a competitor, she would send them there. After two months, she, who was not trying to make sales, sold more than everyone else did by a significant margin.

We have seen similar results in many sales and service organizations. We all know (and believe) the expression, "You get what you measure," but will you get what you want? Targets and goals create stress and dysfunctional behavior.

Less Motivation, More Performance

The concept of reducing goal-obsession to improve performance is not new. In the early 1900s, Robert Yerkes and J. D. Dodson developed the aptly named Yerkes-Dodson Law. The premise is performance increases relative to

motivation (they call it “arousal”) only to a point, after which performance drops. Typically, it is drawn as an inverted U-shaped curve.

If you lack motivation, you have low performance. This is not surprising. As your motivation increases, your performance increases...to a point. This point is the sweet spot of optimal performance. Then, as you become more goal obsessed, performance paradoxically decreases. Goals increase stress and fixate you on the future rather than the present.

Yerkes and Dodson suggest that different tasks require different levels of arousal (to use their word). For example, physically demanding tasks often require higher levels of motivation. This explains why professional athletes are inclined to be more goal driven. Even so, as demonstrated by the pit crew example, too much goal orientation will hurt even athletic performance. In 2004, the New England Patriots (American football) broke the records for the longest winning streak in NFL history--20 games in a row. At a press conference that followed, a reporter asked the team’s Head Coach, Bill Belichick, to comment on this winning streak. He replied, “We did not have a 20 game win streak. We had 20 one-game win streaks.” His philosophy was to play each game the best they could. Setting your sights too far ahead is a sure recipe for failure.

Creativity Has its Own Rewards

Within the business world, Yerkes and Dodson found that to improve concentration, intellectually challenging tasks required lower levels of arousal/motivation. The more creative the work, the less motivation required to hit peak levels of performance. Studies reveal that creativity diminishes when individuals are rewarded (externally motivated) for doing their work. Why? The desire to achieve the goal overtakes the personal interest in the endeavor. A myopic focus on the outcome overshadows the intellectual stimulation of the process. As a result, risk taking reduces, and creativity vanishes.

"Working hard" may not be the best way to improve productivity and creativity. Maybe it isn't even "working smarter." As we have seen, maybe it lies in trying less. Or maybe it can be found in understanding human behavior and motivation, as illustrated in the following studies.

Your Loss Could Be Your Gain

Which magazine do you think American men are more likely to buy?

- a men's health magazine with the cover, "Lose Your Gut Fast" or
- a similar magazine with the cover, "Get Six Pack Abs?"

Although most people intuitively think that the second cover, "Get Six Pack Abs," is the sure winner, when a magazine did such a comparison, it found that "Lose Your Gut Fast" sold six times more copies. Why? The answer lies in the three requirements for an individual (or organization or society) to change:

#1: They must be dissatisfied or uncomfortable with the current situation.

#2: They must see a better future.

#3: They must believe that they can reach that better future with a reasonable amount of effort.

Point #3 is critical. Using the "gut" example, when someone is 20 pounds overweight, as are many Americans, six pack abs may be desirable yet seem inconceivable. It's just too much work, and the likelihood of success feels slim. Only when your gut is gone will the idea of six-pack abs seem like a possibility. Only when your organization is a lean, mean fighting machine will people embrace longer-term, strategic visions.

A question I ask when I address my audiences illustrates this concept further: "Which would you choose:

- Option 1: A guaranteed gain of \$75,000 or
- Option 2: An 80% chance to gain \$100,000 with a 20% chance of getting nothing?"

Seventy-five percent of audience members choose Option 1, consistent across all groups, regardless of demographics. People are risk averse when it comes to increasing gains. What would you choose if I worded the question as a loss rather than as a gain?

- Option 1: A certain loss of \$75,000
- Option 2: An 80% chance of losing \$100,000 with a 20% chance of not losing anything

Over 80% in my audiences now choose Option 2. People will take risks to reduce their losses. This explains why the status quo often wins over change. Although there may be a benefit in changing, the risk of losing what you already have is too great.

People will take great risks to minimize (or reduce) their pain/losses, yet play it safe when the option is to increase their pleasure/gains. When your organization's change plans are utopian visions of a grandiose future, your employees move to the far end of the performance curve: high motivation, low performance. They become cynical about success and feel as though you are not addressing their present moment pains and frustrations. Instead, fix immediate problems first. Then begin to address, more strategic visions.

What's The Bottom Line?

To create a pervasive culture of innovation you must first create an environment of performance and motivation. Achieving this is often, paradoxically, the result of less effort rather than harder work. Although goals and performance targets are useful tools, they can also have a detrimental impact on results. When people are future fixated, their creativity and overall performance diminish. Find the sweet spot of optimal performance, and you will undoubtedly see an increase in employee productivity, creativity, and satisfaction...all with less effort.

About Stephen Shapiro

During his 15-year tenure with the international consulting firm Accenture, Stephen Shapiro established and led its 20,000-person Global Process Excellence Practice. In 2001, he left the management-consulting world to write his first book, "24/7 Innovation" (McGraw-Hill), which was featured in *Newsweek*, *Investor's Business Daily* and the *New York Times*. His second book, "Goal-Free Living" (Wiley), became the #1 Amazon.com "Business Motivation" bestseller. Featured in *Entrepreneur Magazine*, the book was also included in *The Best of O*, *The Oprah Magazine*. His latest book is "Stephen Shapiro's Little Book of Big Innovation Ideas."



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