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Carrots and Sticks Don't Work

Build a Culture of Employee
Engagement with the
Principles of **RESPECT™**



The
latest research
on what really
gets people to
go the extra
mile

**Paul L.
Marciano, Ph.D.**

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Paul L. Marciano, Ph.D.



New York Chicago San Francisco Lisbon London Madrid Mexico City
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This book is printed on acid-free paper.

More Advance Praise for *Carrots and Sticks Don't Work*

"*Carrots and Sticks Don't Work* is a profound book about the power of respect. In today's world, where ethics and consideration are at an all-time low, Dr. Marciano has written a testament to what we all need to remember: personal responsibility that earns respect."

—*Jane Boucher, author of How to Love the Job You Hate*

"Dr. Marciano's new book is loaded with compelling and relevant case studies, which will inspire current and future leaders with new insight and a road map for getting teams to make things happen!"

—*Tony Hurst, Manager Service Operations,
Honeywell International*

"Dr. Marciano goes right to the heart of true leadership. Many leaders can get short-term results through the traditional model of rewards and punishment. But true sustainable impact and results come from building respect."

—*Garrett Ingram, AVP Managed Markets Strategy,
Novo Nordisk Inc.*

"Outstanding! An excellent guide to help both managers and individual contributors understand what employee engagement is and why having it is critical for individuals and organizations to thrive."

—*Michael Stallard, author of Fired Up or Burned Out*

"In my thirty-plus years in HR, I had not read an HR book before that I would have said was a 'must have' textbook for any line manager . . . but this is one!"

—*Clinton Wingrove, EVP and Principal Consultant,
Pilat HR Solutions*

"I wish this book had been written twenty years earlier. It would have saved me a lot of mistakes."

—*Mark Straley, President, Ortho Clinical Diagnostics,
Johnson & Johnson*

“Carrots and Sticks Don’t Work brings a clear understanding to leadership by providing very useful methods that will enable managers of people to connect with today’s evolutionary workforce. As someone who has managed people for over thirty years and uses engagement surveys in determining employee satisfaction, I can affirm that Dr. Marciano’s book is a wonderful primer for all who lead people in today’s world.”

—*Diane Piraino-Koury, Owner/Operator,
McDonald’s Restaurant*

“I plan on having all members of my management organization read *Carrots and Sticks Don’t Work*. The RESPECT Model is an easy-to-use process with many examples. I personally plan on using it both inside and outside of work!”

—*Jack Lally, Senior Manager, FedEx*

“This book is a concise blueprint for creating a positive, cohesive workforce.”

—*A. Michael Hopp, Senior Vice President of Human
Resources, Mannington Mills, Inc.*

“Finally, a book that conveys the key to employee motivation in our contemporary workplace. The RESPECT Model explicitly shows that when people are treated with respect they engage and work harder to achieve the goals of the organization.”

—*Arnold Endick, Workplace Environmental Analyst,
U.S. Postal Service, Retired*

“Dr. Marciano encourages us to look at today’s challenging reality through a new lens, and we emerge renewed and refreshed.”

—*Eva G. Carmichael, Internal Consultant,
Superior Court of New Jersey*

“Carrots and Sticks Don’t Work is a practical guide and reminder of how we should all behave in both our professional and personal lives. I think it’s a must read and one that will become a reference for anyone that is interested in becoming a leader, becoming a better leader, or knowing what to look for in a good leader.”

—*Dave Hickey, CEO, Lumeta Corporation*

"I was barely past the R in RESPECT and couldn't wait to get back to the office to try out the suggestions laid out in this book. A must read for any manager or business owner who has ever wrestled with employee productivity issues."

—Michael Caldwell, Co-Founder/CEO,
GigMasters.com, Inc.

"Dr. Marciano gives great advice about what works—and what doesn't—to get maximum employee engagement and discretionary effort."

—Christopher Rice, President and CEO,
Blessing White, Inc.

"*Carrots and Sticks Don't Work* is an easy read and an even easier application that builds respect and dignity into everyday work life."

—Ron Golumbeck, Vice President and Director of Human Resources, ITT Industrial Process

"This book is a worthwhile read for organizations large and small, executives, middle managers, supervisors, and human resource professionals. Dr. Marciano's commonsense approach is appealing in today's economy where nothing is more important than to harness the loyalty, discretionary effort, and commitment of the workforce through respect."

—Catharine Newberry, former Chief Human Strategy Officer, *The Medicines Company*

"This is a relevant and useful book for personnel management in organizations of all sizes. The RESPECT Model is a friendly and flexible tool for building a better working environment for employees and supervisors and getting results for the organization."

—Jose S. Azcona, President, *Alianza Inmobiliaria*

"*Carrots and Sticks Don't Work* is a diamond in the rough of leadership books. Dr. Marciano not only transforms the way we think about employee engagement, but his research and insights argue for a new dawn of business where respect should live at the forefront of all of our value statements."

—Daniel Rehal, President, *Vision2Voice, Inc.*

"In *Carrots and Sticks Don't Work*, Dr. Marciano combines his real-life leadership and consulting experience with an extensive background in teaching and research to help employers create and sustain a productive workforce in the twenty-first century."

—*Carl Sorensen, Associate VP Human Resources,
University of Richmond*

"The RESPECT Model created by Dr. Marciano is the best human resource program I have ever encountered. It's a step-by-step approach in creating an engaged employee. Engaged employees are an asset to every employer and organization."

—*Carl Resnick, owner, Flemington Department Store*

"Drawing from decades of research as well as personal and clinical experience, Dr. Marciano explains how to avoid common managerial mistakes that actually undermine employee motivation. Every manager should read this highly insightful and engaging book."

—*Nicole Tuchinda, M.D., J.D., Associate,
Ropes & Gray, LLP*

*Dedicated to the one I choose every day,
Karen*

Preface

Over the past twenty years, I have dedicated my life to helping leaders increase the human capital of their organizations. During this time I have learned that relationships, both personal and professional, work only within the context of respect. Born of this concept and supported by my own research as well as studies from around the world, I developed the RESPECT Model to help organizations create cultures of respect and workforces of highly engaged employees. The model has been embraced by diverse organizations ranging in size from twenty to six hundred thousand employees, including manufacturing companies, medical practices, sales organizations, pharmaceutical companies, consulting firms, schools, and government agencies. The enthusiastic adoption and success of this model is due to its simplicity, power, effectiveness, and universal appeal. It works because all human beings desire one thing: respect.

Who Will Benefit from This Book?

This book was written for leaders at all levels who wish to engage the hearts and minds of their employees. The specific examples and strategies will help managers, supervisors, team leaders, executives, small business owners, and human resources professionals increase their organization's human capital. Whether you are a brand-new first-line supervisor or the CEO of a Fortune 500 company, the RESPECT Model will increase your leadership effectiveness and the productivity of your employees.

What You Will Learn

In reading this book, you will learn the nuts and bolts of creating an engaged workforce, specifically:

1. Why traditional reward and recognition programs fail
2. The difference between engagement and motivation
3. How increasing employee engagement adds directly to the bottom line
4. Why most approaches to increasing engagement are based on unsound research
5. How to measure employee engagement in your organization
6. The link between respect and engagement
7. The RESPECT Model
 - a. The power of an “actionable philosophy”
 - b. The seven drivers of RESPECT
 - c. Your current leadership effectiveness in showing RESPECT

- d. Specific examples of RESPECT in action
- e. Turnkey strategies and best practices to foster a culture of RESPECT

By reading and applying the principles and strategies in this book you will dramatically increase the commitment, loyalty, and discretionary effort of your employees. Your people and your organization will thrive in ways that you could not even have imagined. Let the RESPECT Model do for you what it has done for so many others—help you become a highly respected leader that others want to follow.

Acknowledgments

T

hroughout my life I have been blessed with extraordinary teachers and mentors.

I had the honor of attending Davidson College as an undergraduate and to later serve on the faculty with those I am proud to call my mentors, colleagues, and friends. I am particularly indebted to my advisor, Professor John Kello, who first exposed me to the field of Organization Development and provided me with guidance, educational experiences, and opportunities far beyond my undergraduate years.

In the field of psychology, few are held in higher esteem than Professor Alan Kazdin, my graduate advisor at Yale University. Words cannot express my gratitude for the opportunity to work with Alan and the entire Yale Psychology faculty. I am greatly blessed and humbled for my experiences with Alan and the “dream team” at the Child Conduct Clinic. No student ever had a finer role model or received better training.

Sometimes the most important decisions in life occur before we are born. My grandfathers, Lorenzo Marciano and Ludwig Bemelmans, immigrated to the United States as young men with nothing but the dreams of building a good life for themselves

and their families—even those they would never meet. It is difficult for me to comprehend their courage and strength. I owe my grandfathers a debt of gratitude that I cannot repay but only honor by making the most of the opportunities that they, as well as my grandmothers and parents, set in motion.

While I could not appreciate it as a child, I want to thank my mother and father for teaching me about respect and never tolerating disrespectful behavior. I also want to thank them for teaching me about hard work and to never take our freedoms for granted. Their extraordinary sacrifices made it possible for my brothers and me to attend college and follow our dreams. I can only hope to be as selfless and loving a parent.

This book would not have been written if it were not for my wife, Karen. She has been an inspiration and integral part of this process from proposal to final edit. I could not imagine a more loving, patient, and supportive partner and just don't know what I'd do without her.

I want to thank my clients over the past twenty years who have entrusted their most valuable resources to my care. I would like to give special thanks to Mannington Mills for their generous support of my research and acknowledge their care and commitment to their employees as exemplified by their health and wellness programming.

In all of my work as a teacher, therapist, consultant, entrepreneur, and group fitness instructor, I have sought to make a difference in the lives of others. My inspiration throughout this process has been to make the workplace a more respectful environment and to improve the quality of work life for all employees. I hope that you will bring the words on these pages to life and make a difference to the people in your organization.

Introduction

The Story That Started It All

There are times in our lives when what may appear to have been a terrible decision turns out to be a great learning experience and “blessing in disguise.” Early in my career I spent three months as director of research at a small consulting firm. Although I didn’t realize it at the time, this brief experience would profoundly shape my understanding of employee motivation and engagement and provide the insight that led me to create the RESPECT Model. I share some of that experience with you now in the hope that it will highlight for you the critical role respect plays in keeping employees engaged.

The Last Guy Sat There

As anyone might be, I was excited and also a bit nervous for my first day of work. I arrived forty-five minutes early and found the door locked. I waited forty-five minutes before being let in by Sherry, the company’s receptionist. She asked if I had a meeting with someone. I had apparently not made much of an

impression when introduced as the new director of research two weeks earlier by Mary and John, the owners of the firm. I proudly announced “I work here!” and reintroduced myself. She replied, “Oh yeah, you’re the new guy” and proceeded to hang up her coat, get coffee, and begin the day’s crossword puzzle at her desk.

I assumed that Mary or John would be in shortly to show me around, introduce me to the staff, and discuss more fully their specific goals and expectations. Not knowing quite what to do, and receiving no direction or assistance from Sherry, I simply waited in a chair across from her desk, which served as the reception area. After thirty minutes, I finally asked if she knew when Mary or John would be arriving. “Oh, they’re not coming in today,” she replied. What? Could I somehow have screwed up my starting date? Confused and embarrassed, I began to put on my jacket and leave when the office phone rang. Sherry handed it to me—it was John. He apologized for having been called away for a last-minute meeting and assured me that Sherry would take good care of me. I put Sherry back on the phone and she nodded a few times and hung up. She picked up a manila envelope that had been sitting on her desk and said, “Here are the new employee forms for you to fill out.”

Recognizing that a hard surface would be useful, I asked where I might find an available desk. She walked me around the corner and said, “The last guy sat there.” To the left of the desk were a few dying plants and my new officemate, TJ, who warmly introduced himself and welcomed me to the company. He then offered to take me around and introduce me to the rest of the staff. Now we were getting somewhere! As we went around the office my new team members appeared engaged in a number of different activities, including conversations on sports and stocks, surfing the Web, and playing online solitaire. There was a college intern, Elaine, who did appear to be working.

After the tour, I went back to my desk and completed the forms. I handed them to Sherry and asked if John had said what I should do next. He had not. So, I asked TJ if he needed any help. He smiled and said no. As I walked around the office reiterating my offer, I received several bemused looks and no takers. I returned to my desk and thought: Have I been inserted into a “Dilbert” cartoon?

Committed to doing something productive, I found the janitorial supplies and cleaned my desk and some bookshelves. I then picked dead leaves off the plants, gave them a good watering, and moved them closer to a sunny window. I looked at my watch and thought, “How could it only be 10:30 A.M.? What am I going to do the rest of the day?” I remembered having come across several boxes of pencils in my desk and took to sharpening them. When finished, I carefully packed the pencils back into their boxes according to their length and placed them back in my desk. It was to be one of the most satisfying and productive experiences of my tenure there.

TJ had been watching me “work” while talking to his girlfriend on the phone. When he hung up I told him that I was bored out of my mind. He suggested that I learn to pace myself. Taking pity on me, he handed me a stack of reports and said, “You can read these over for typos if you’d like.” He then grabbed his coat and said that he had to run out. Running sounded like a good idea.

At noon Sherry came into my office and said that she wanted to show me something. She walked me to the front door and pointed to a small magnetic whiteboard with everyone’s name written down the left side and two columns labeled “In” and “Out.” My name had been added to the bottom of the list and a small magnetic circle indicated that I was “In.” Everyone else’s circles were in the “Out” column. Although I had actually brought my lunch, there was no way that I was staying “In” and went to

move my circle to “Out.” Sherry then explained that team members took turns answering the phones during her lunch break and, as I was the only one left “In,” that would be me today. She put on her coat and walked out.

I prayed for the phone not to ring. Mary called first. We chatted for a minute, and then she asked me to transfer her to TJ’s voice mail. Of course, I had no idea how to do that and hung up on her. Nor was I of any help to a client who called to schedule an assessment for one of his employees. “Yes,” I told him, “I am new.” I then did the only reasonable thing and took the phone off the hook. As I sat there, I had to consider the very real possibility that I had made a very bad decision. Six years in graduate school at Yale and here I was answering phones. I had walked away from a tenure-track position at one of the best schools in the country and was now sharpening pencils. I felt a wave of nausea rush over me and considered simply walking out and leaving a note. Of course, I would be sure to push my magnetic circle to the “Out” column.

The time from 1:00 to 5:00 passed more slowly than any previous four hours of my life. As I sat at my desk, I thought of the *Seinfeld* episode where George had gotten a job but had been given nothing to do and spent the day sharpening pencils and throwing them like darts into the fiberboard ceiling. I seriously doubted anyone would notice. I glanced over at the dying plants and realized that this was not an environment in which plants or people could thrive. At 5:00, I pushed my circle to “Out” and went home. I slept little that night as my thoughts raced between “What have I done?” and “Surely things will get better once I meet with John.”

On the second day, I was the first to arrive at 8:30 and again waited for Sherry to unlock the door at 8:59. Upon seeing me, she looked surprised and said, “You’re back.” Apparently, she gave me more credit than I deserved. I checked “In.”