Want to motivate your employees and teammates to do a better job? Does your team seem unhappy, unmotivated, and distrustful of your organization?

In *Carrots and Sticks Don't Work*, Paul Marciano argues that engagement stems from respect. Employees don't want to be treated like cogs in a chain. Instead, they want to feel empowered, have autonomy, receive supportive feedback, and be treated considerately. Breaking any of these makes teammates feel disrespected, which causes motivation to plummet.

In this *Carrots and Sticks Don't Work* summary, you'll learn:

- the major non-monetary components of what employees want
- how to diagnose whether you're a great or terrible manager
- simple actions you can take today to engage your team
One Page Summary

Carrots and Sticks Don’t Work decry motivation based around financial incentives, considering these programs brittle and temporary. Instead, author Marciano suggests that people are most motivated when they feel respected by their organization and feel respect for their work. This leads to a model called RESPECT:

- **Recognition**: Provide positive feedback for work well done.
- **Empowerment**: Give employees training, resources, and autonomy. Then get out of the way.
- **Supportive Feedback**: Give corrective feedback from the perspective of a coach. Be specific, timely, and supportive.
- **Partnering**: Treat your employees and colleagues like partners. Share the big picture with them and help them think like stewards of the organization.
- **Expectations**: Make the expectations of an employee’s work clear, and make sure the employee understands them.
- **Consideration**: Treat employees like humans, getting to know their personal lives and building rapport. They will trust you with more opportunities to help.
- **Trust**: Keep your word on promises, give credit where it’s due, don’t micromanage, admit your mistakes.

Much of the book is intuitive and, unlike books like *Grit* or *Power of Habit*, not heavily based on academic research. But most employees who read this book agree with the concepts.

Here are the most helpful novel tips I took away:

- Direct cash incentive programs rewarding the top performers can decrease intrinsic motivation, aren’t motivating for people in the middle or bottom, and destroy teamwork.
- **Employee recognition is part of a supervisor's job**. It’s not wasting time, it’s your job to motivate your team.
- Feedback should be 80% positive, 20% negative. **This raises the contrast of negative feedback.** If your feedback is predominantly negative, the urgency of new negative feedback is reduced. Plus, there’s little reward for the employee to improve – she’s not even going to get thanked for improving, so what’s the point?
- After giving constructive feedback, when you see the behavior the next time, reinforce it with positive feedback.
- Deliver feedback in the moment, right after you see a problem. Don’t wait, or the employee will wonder why you waited so long.
- Give positive feedback in the area in which the teammate has the most pride.
- When expectations aren’t met, consider it your fault by default. **Ask them what they understood the task to be, and how they understood the expectations, and why.** You may realize that your instructions were terrible.
- **Pull expectations from people**. Ask them to list their prioritized goals and rate how well they’re doing. Then give feedback.
- Explain the purpose behind the goals, to establish commander’s intent.
- Give examples of the desired outcome for the person to model off
Knowing about a person's personal life gives you chances to show consideration. Without knowing this, she won't volunteer her personal problems.

Think about ways to benefit the family, not just the employee. Like the company that gave Thanksgiving dinners to all staff - this inspires loyalty from more than the family.

Explain thoroughly when you override someone else’s decision, so they trust you won’t just override them in the future.

**Introduction**

After graduating from his PhD program in Clinical Psychology, the author of *Carrots and Sticks Don't Work* had a terrible experience at his first job. People didn’t care about him on his first day; no one seemed engaged at work; his bosses gave unclear expectations of what he was supposed to do. He quit.

Marciano realized that respect was the center of an engaging workplace. Whenever he felt unrespected, he always disengaged. Over several years, he found the factors forming the cute acronym:

- Recognition
- Empowerment
- Supportive Feedback
- Partnering
- Expectations
- Consideration
- Trust

*Carrots and Sticks Don’t Work* covers why reward programs don’t work, how the RESPECT model drives engagement, and how to implement RESPECT in your organization.

**Chapter 1: The Workplace “Carrot-on-a-Stick”**

In *Carrots and Sticks Don’t Work*, Marciano distinguishes between motivation and engagement. In his semantics, **motivation** refers to short-lived, brittle energy influenced by external factors. Remove the factors, and the employee stops working. Motivational energy tends to burn brightly and briefly without leading to permanent habits.

**Engagement** is an intrinsic, deep-rooted commitment to the job, organization, team, manager, and customer. Engaged employees work hard for the sake of the organization and because they feel fulfilled. [I continuously found this distinction between motivation and engagement confusing, since to me motivation is motivation, but let's take it at face value.]

Much motivation literature makes use of **operant conditioning**, made famous by the experiments of Skinner and Pavlov. **Reinforcement** increases the likelihood of a behavior occurring in the future.
Positive reinforcement is application of positive rewards bringing the person above neutral – like money and compliments. Negative reinforcement refers to cessation of negative stimuli, like electric shocks or complaints (e.g. a mother who picks up a crying baby is negatively reinforced to pick up the baby more).

Punishment refers to negative consequences that decrease the likelihood of the behavior occurring again in the future. (This is often conflated with negative reinforcement).

Operant conditioning only applies when the likelihood of the behavior changes – otherwise, it doesn’t meet the criteria. Marciano argues that much of management advice uses ineffective strategies based on rewards that don’t change employee behavior. Clearly operant conditioning works on animals and in certain simplistic behaviors like feeding your dog and manual labor. This reflects how labor evolved. Throughout much of history, labor was performed by slaves or criminals, and punishment for bad work was corporal punishment or death. During the Industrial Revolution, management science evolved to handle simplistic assembly line work that could be easily measured and boosted.

As technology improved, the nature of work changed to more complex knowledge-based work, and our understanding of psychology improved. Maslow’s hierarchy gave a new paradigm for understanding motivation, away from simple rewards to a spectrum covering base needs to self-actualization and fulfillment.

Employees have also changed their preferences. While WW2-era employees focused on working hard and not obsessing over happiness, today’s employees seek mental health, job satisfaction, and fulfillment, particularly given exemplars of great work cultures like Google they can transfer to. Money is less commonly a motivating factor – often it’s a Hygiene factor, meaning it matters when it’s missing, and matters especially when the employee feels she is unequally compensated. Workers today tend to be less consumerist, thus decreasing the impact of monetary rewards. Finally, workers no longer feel that companies are loyal to their employees, given corporate scandals, outsourcing, downsizing, and lack of benefits.

So a new type of management system is needed to engage employees.

Chapter 2: Reward and Recognition Programs Don’t Work

Next, Carrots and Sticks Don’t Work covers 20 reasons that traditional reward programs fail to improve employee performance. I take reward programs to mean rewards that are primarily monetary and given to select top performers for meeting metrics, often at fixed intervals. It does not mean rewarding people with more autonomy and giving positive feedback, as this is a core part of his framework.

1. Programs fail because they are programs.
   1. Programs accomplish specific goals in a short period of time. They don’t set up longer term impacts. Diets don’t lead to long term behavior until they become ingrained as healthy eating.
   2. Rewards are not necessarily reinforcing.
1. If the worker doesn’t want the carrot, the behavior won’t be reinforced. For instance, someone may get vacation days she doesn’t use, or she doesn’t want to be recognized as the Monthly Peppiest Employee. In some cases the worker may intentionally lower effort to avoid the reward.

3. Programs are too narrowly focused.
   1. They incentivize specific narrow goals rather than broader behaviors, like rewarding sales at the expense of teamwork, trust, and customer satisfaction.

4. Programs focus on the wrong dependent variable.
   1. They focus on the results of behavior, rather than the systems and processes that lead to success in the first place. Imagine rewarding a basketball team for winning games rather than fundamentals of teamwork, communication, and physical training.

5. Goals can limit performance.
   1. Goals, like sales quotas, suggest an upper limit. Instead, you want workers to work hard on all aspects of the game.

6. Inconsistent and unfair administration.
   1. Inequity is especially frustrating to employees. For managers, having to choose how and to whom to dispense rewards invites criticism of favoritism. Some people have an unfair advantage (like seniority) and take the rewards.
   2. So why not use a % improvement? Because the top performers are already squeezing out all they can, and % on their improvement can be hard. It also invites manipulation of sinking your sales numbers one quarter to get a big boost the next.
   3. Often, the program guidelines are unclear. What does being a team player mean? If you try your best one time to get a reward, but don’t get it because of unclear guidelines, then you’re going to stop that good behavior.

7. Added stress for supervisors.
   1. Managers already work hard. Now you add something else that can be controversial to their plate.

8. Programs foster cheating.
   1. The higher the stakes, the more you invite unethical behavior.

9. Programs destroy teamwork.
   1. Limited rewards invite a zero-sum game approach. If your colleague wins, that means you lose. This promotes competition and undermines teamwork.
   2. What about team based programs? This doesn’t reduce inter-team competition. Also, the top performers will feel annoyed at picking up the slack for underperforming colleagues.

10. Programs are cover-ups for ineffective supervisors.
    1. Effective supervisors don’t need programs to motivate their employees. If your employees are unmotivated, this is a management problem, and once you remove the program, the managers will still be bad.

11. Programs offer a weak reinforcement schedule.
    1. If rewards are tightly coupled in time to behavior, they work better. Pushing bonuses to end-of-year decouples the behavior from reward.
    2. Variable ratios, like random slot machine wins, work better. If employees expect rewards, and rewards cease to delight employees, then the behavior will be extinguished (or at best, capped).

12. Giving gifts is not a reinforcement program.
    1. Giving gifts not conditional on behavior is not reinforcement. They don’t change behavior
since they’re not tied to behavior.

13. Programs reduce creativity and risk taking.
   1. People tend to be risk averse, and if trying out a new strategy means losing out on a
      reward, they’ll stick to the tried and true. [I don’t find this too convincing.]

   1. Increased rewards diminish the perceived value of the task. The worker more thinks that
      she’s doing the work for the rewards, rather than for the work itself.
   2. In the opposite direction, if the worker is paid little for the task, they tend to enjoy the task
      more (they must resolve the cognitive dissonance that they’re doing the work for such
      little pay, that they must love the work instead).
   3. [For some reason this doesn’t really apply to salary…working for lower salary doesn’t
      seem to make the person love her work more. Or does it, just not sufficiently to prevent
      them from leaving?]

15. Wrong behaviors are rewarded.
   1. Humans are endlessly creative at meeting incentives. Often you may find that you’re
      reinforcing unintended behaviors. For instance, rewarding top sales may encourage
      stealing of sales leads.
   2. [A common antidote to this is use of countermetrics, like rewarding both efficiency and
      quality so neither comes at the expense of the other.]

16. Everybody’s a winner.
   1. A repeat of the gift point above. If the bar is set so low that everyone wins, then you draw
      everyone down to the lowest common denominator. Why work harder if your extra efforts
      are not valued?

17. Programs are manipulative.
   1. Your top employees are motivated to do a good job as a moral quality. They feel frustrated
      that resources are spent on underperforming team members. They’d rather those slackers
      be fired.

18. Program architects are generally not experts.
   1. HR practitioners tend to be generalists and aren’t deep experts on workplace psychology.
      Thus it’s hard for them to determine the most effective workplace practices.

19. Programs have no impact on workplace culture.
   1. Culture is a set of communal values and expectations that are long-lasting. By virtue of
      being short-lived, programs do not improve culture.
   2. [But what if the reward program lasts so long that it inculcates new behaviors?]

20. Reward programs decrease overall motivation.
   1. Who tends to win performance rewards? The top performers. Do they need more
      recognition and motivation to do well?
   2. What does this do to the rest of the performers? It lowers performance – what’s the point
      of trying if you’re not going to get the reward?

Chapter 3: Employee Engagement

Once again, engagement is an intrinsic, deep-rooted commitment to the job, organization, team,
manager, and customer. Engaged employees work hard for the sake of the organization and because they feel fulfilled. Engagement buffers against short-term changes in motivation, like time pressure and equipment failures.

To picture the difference between engagement and motivation, imagine that a team is working to meet a deadline. An equipment failure makes it impossible to meet the goal. Do they keep soldiering on trying to achieve the most, or do they give up? Engaged people do the first, motivated the second.

Engaged employees tend to do the following:

- Bring new ideas to work and suggest improvements
- Take initiative
- Exceed goals and expectations
- Are growth-oriented, seeking to improve the self
- Encourage and support team members
- Overcomes obstacles
- Show high levels of discretionary effort
- Speak with pride about the organization
- Act as though they have ownership in the business

Studies of employers nationwide show that the majority of American workers are disengaged from their work.

Correlational studies show that higher engagement associate with a slew of benefits, like increased profitability, higher customer satisfaction, lower turnover, reduced fraud, and reduced absenteeism. [Note that the studies cited in Carrots and Sticks Don't Work are largely correlational, and causation may be in the reverse direction. Companies with profitable strategies may give the optimistic environment leading to engagement and higher retention (because they want stock to vest). Whereas a failing company with a great work culture leads to low engagement due to lack of belief in your work.]

Surveys of engaged employees show what improves engagement:

- Mutual respect with employer and supervisor
- Trust from supervisor and lack of micromanagement
- Feeling of impact within the company and outside
- Positive recognition for work and a sense that the company values their work
- Potential for growth
- Clear objectives

In contrast, these factors cause disengagement:

- A selfish, untrustworthy manager that takes credit for work
- Unrealistic expectations
- Lack of coaching and feedback
- Managers that don’t deserve respect
- Lack of value signaling, from not saying hello to compliments
• Doing work that doesn’t seem to add value
• Lack of vision of company direction

Less than 2% of people mentioned money as a reason for disengagement! [This depends heavily on how the survey question was worded.]

[Maybe if this is indeed casual, that engagement leads to profitability, maybe this is one way to screen early stage startups for success?]

Chapter 4: The RESPECT Model: Building a Culture of Employee Engagement

Employees that feel respect for the company and feel respected in return work harder to achieve the group’s goals. They tend to adopt a more giving stance rather than obsessing about personal gain [interestingly, a giving culture can be created by a feeling of downward respect, rather than arising because the org has too many takers. See Give and Take for a thorough treatment of this.]. An effective leader has loyal followers who willingly do what is asked of them.

Respect can come from fear and intimidation, or it can come from sincerity and helpful motives. (This correlates with the purposes of powerful and powerless communication).

Respect goes in 5 different directions:

• Organization: mission, values, and goals
• Leadership: competency, ethics, fairness
• Team members: competency, cooperativity, honesty, diligence
• Work: challenge, reward, value-creating
• Individual: feeling respected by all of the above
• [Customer: I would add a 6th dimension, the final beneficiary of the value you create]

Exercise: Write down the experience leading to the greatest amount of respect in each direction. If most of them are not your current job, you might need to look elsewhere.

Respect for the Organization

Respect for the overall organization causes harder work, serves as a buffer to burnout, and causes higher trust by consumers. Cultural values of ethics, hard work, fairness, and innovation all drive respect. When employees feel respect for the org, they express pride at working for the organization.

A practical strategy to develop respect is to give back to the community. A few useful suggestions:

• Work on projects that can be completed in one day, to see it from beginning to end.
• Make the impact concrete and permanent, like building a playground rather than picking up trash.
- Make cross-departmental teams to work together.
- Record the event and get media attention, for long term value from the event.

Another strategy is to publicize your organization’s relative strengths. This gives them pride in knowing there’s something special about the company.

**Respect for the Supervisor**

Supervisors should be hard-working, competent, fair, and compassionate. They advocate for the good of the team and don’t leave people behind. Managers promoted from within are respected because they’ve done the previous job before.

Supervisors who denigrate employees lose respect.

**Respect for Team Members**

Employees will work harder for teammates they respect because they don’t want to let their team down. They openly communicate to one another to resolve problems – they respect each other too much to gossip behind their back. Failing to hold underperforming team members responsible demotivates the entire team.

An easy way to increase respect is to make commonalities clear, increasing empathy and homophily. They can use personal background to understand future behaviors. One way to discover this is to circulate a team survey that asks personal questions. These can then be explored casually outside of work.

**Respect for the Work**

Employees should feel challenged at the limit of their abilities. Completion of this challenging work creates a feeling of growth and accomplishment.

They should also feel that their work matters. It should be clear how their goals fit in with the organization’s larger goals, and how it contributes value to the end customer.

Employees feel better when singled out to take on a project – they feel particularly entrusted with a difficult task and are motivated not to fail, at risk of betraying the manager’s trust.

Finally, work should lead to opportunities for advancement and growth.

The less motivating work is, the more important it is for the manager to explain why the task is important. Even work that seems important to the manager can be undervalued by the employee, leading to poor

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performance.

**Inbound Respect as an Individual**

If the worker does not believe that the organization has the worker’s best interests at heart, the worker will not reciprocate. This means covering all hygiene needs like salary and benefits and providing all other aspects of RESPECT model.

**Chapter 5: Recognition**

We all desire social belonging and feeling like our efforts are important. Recognition from people, especially your managers, is a very direct way of achieving this. Marciano argues that the **ROI of positive feedback is huge** – a minute spent on complimenting work can lead to hours of increased productivity. Positive feedback is reinforcement that makes the behavior more likely to happen again, unprompted. [Oddly, this is very close to operant conditioning, which the author spent the first part of the book shooting down. A variable reinforcement schedule is most effective at prompting behavior. See *The Power of Habit.*]

Managers tend to overestimate how much they give recognition and underestimate how important it is to employees. Imagine that some people keep a positive sticky note from their boss for months – it means that much to them.

Failure to reinforce actually suppresses behavior – if you assign a project and don’t reward hard work to meet its deadline, the worker is less likely to meet the deadline next time. If you admonish a worker for poor behavior, and the worker corrects it but doesn’t receive positive feedback, she’ll fall back to the bad behavior, for there is less reason to correct it. “You don’t get team members to take initiative by focusing on their lack of initiative.”

Because of **contrast misreaction tendency**, people tend to acclimate to repeated signals of one kind, and to notice deviations from the norm. **If you only provide negative feedback, the next item of negative feedback gets little novel weight** – if the worker tries her best but still gets only complaints, there’s little incentive to change. In contrast, a history of positive feedback will make a major complaint feel explosive and note-worthy. The employee won’t want to disappoint someone who’s signaled satisfaction through positive feedback.

Managers often cite reasons for not recognizing employees [I’m guilty of some of these]:

- “Employees shouldn’t be thanked for doing what we pay them to do.”
  - **Employee recognition is actually part of your job.** Your output is the sum of your subordinates’ output, so increasing that value is your job.
- “It’s not in my personality.”
It’s not in your personality to brush your teeth either, but you do it because it works.

- “I have too many direct reports.”
  - Encourage team leads to reinforce good behavior to fill in for your gaps.
  - Focus your energy on a single theme, to make rewarding behavior across many team members easier.

- “I don’t get recognized by my boss.”
  - Even if she fails, you still need to do your job.
  - Don’t be afraid to ask for recognition and feedback – it’s important for your advancement.

- “They don’t do anything praiseworthy.”
  - Your bar is set too high. Lower your expectations so that people occasionally meet them.
    Ask people to share experiences with teammates.

Actionables:

- Make your feedback effective with these attributes: close in timing, very specific, in person if possible, enthusiastically, and publicly.
- Tell your reports: “It’s important to me that you feel recognized for your contributions. If you don’t feel I’m doing this, can you bring it to my attention?”
- Write handwritten notes.
- When you instruct a teammate to correct an action, when she corrects it, give positive feedback. Omission of feedback will make it seem like you’re not watching.
- Make the announcement public. Create a wall of great ideas. Share the specific piece of work with the team. Take time during team meetings to publicly acknowledge individuals for their recent good work.
- Couple positive feedback with nonverbal rewards, like autonomy and growth opportunities.
- Force habits and reminders to convey positive feedback. Start meetings with round robins of people sharing what they liked about a teammate. Start the day with five pennies in your pocket, and transfer a penny to the other side once you’ve given positive feedback. Set alarms to remind yourself to give feedback.
- Buy an ad in a local paper to signal a job well done.
- Call ad hoc meetings to reward people with positive feedback.
- Deliver enough positive feedback such that the constructive feedback is high contrast and it stings – people will want to avoid that sting at all costs.

Chapter 6: Empowerment

Employees enjoy feeling autonomy, with the freedom to take risks and seek novel solutions. Autonomous employees are helpful because they’re more flexible in responding to novel situations and require less management overhead. Autonomy requires trust from above, information sharing, sufficient resources, training, and decision-making responsibility.
Employees feel empowered when roadblocks and cumbersome processes are eliminated, or when they have authority to change them. They provide the change they want to see in the organization, which increases a feeling of ownership in the company’s success.

Autonomous employees require information sharing to understand the goals of the organization. Only then can they independently make decisions that don’t detract from the team. [This echoes the concept of “Commander’s Intent,” where the high-level goals are defined specifically enough for the subordinate to know how his personal goals fit in, but vaguely enough to be agile and give the subordinate room to operate freely.] Keeping employees on need-to-know basis makes them feel untrusted and makes them resort to gossip.

Training is one of the highest leverage activities to invest in [echoing Andy Grove in High Output Management]. In onboarding, training helps develop existing skills in the context of the new organization. Ongoing training promotes an expectation of growth mindset, trust in their ability for growth, and increases engagement with assignments at their limit of challenge. Functionally, growth leads to additional value from the employee, and creates an internal pipeline of candidates for promotion.

Overall, employees who feel well-resourced and trusted believe the organization wants them to succeed.

**Actionables:**

- Regularly ask employees how you can help them be more successful. Resources? Training? Information?
- **Delegate as much decision-making responsibility as possible to employees.** Tim Ferriss suggests this question: “[what if I let them make decisions up to $100? $500? $1000?]” Relinquish the anxiety leading to micromanagement.
- Improve training during onboarding. Ask current employees for feedback on how to improve training.
- Carve out time and resources for continued training.
- Encourage employees to take educated risks.
- Ask employees for suggestions on changing restrictive policies and processes.
- Ask a leader from another department to share info with your team.
- Turn employees into coaches. Hold workshops with team members who can teach each other things. Identify the most supportive employees who tend to be givers rather than takers.
- Give a range of new opportunities to employees, and allow them to choose.

**Chapter 7: Supportive Feedback**

Managers should provide feedback with the mindset of a coach: I want you to be successful. This viewpoint makes employees feel cared for and lowers defensiveness (compared to the situation if the manager were just berating the employee.)
Lack of support signals to the employee that she doesn’t matter much and there’s no hope for her. This can set off a vicious cycle of disengagement and confirmation bias by the manager (“I knew Tim was no good, look at how disengaged he is, I’m not going to waste time on him.”).

**Good supportive feedback comes quickly after a problem begins.** This wastes fewer resources from suffering the problem and makes it less awkward to point out (as opposed to giving feedback on a problem 6 months earlier).

Performance reviews should not contain surprises. Do not pile up all the bad news to unleash all at once. Would a coach wait until the season’s over to tell his team how much they could improve?

**80% of feedback should be positive and reinforce behavior, while 20% should be about improving performance.**

Don’t make a “shit sandwich” with one plus, one constructive, one plus. Employees will feel you’re being insincere and discount the plus – “just tell me what you really want to say.”

**Actionables**

- When delivering notably critical feedback, take extra care to message it in a supportive manner.
- Always make feedback about the behavior, not about the person. No “you have a bad attitude.”
- Encourage reciprocal feedback from team members.
- **Provide coaching within 24 hours of becoming aware of the problem. Don’t wait. Make it “in the moment.”**
- Follow up with employees after giving feedback to reinforce the positive change and hold them accountable for improvement.
- Message feedback powerlessly. Instead of saying “you should have done this,” ask, “can I give you a suggestion?” Even better, ask them to reflect on a suboptimal outcome, and how they could have done better in that situation.
- Hold a workshop for employees to learn how to give feedback to one another.
- When given feedback yourself, don’t get defensive. Listen attentively and ask for advice on how to do better.
- Weight your feedback to 80% positive, 20% constructive.
- Give feedback in the area the employee has the most interest or pride. If you don’t know what this is, ask what it is.
- Make the feedback specific. Help make clear what the actionable is, so it’s not just perceived as your complaining.

**Chapter 8: Partnering**

The author uses partnering to connote a relationship where parties are treated as equal partners, not as us-
them or superior-subordinate.

By making your employees partners on a team, they think like business owners, and they act as stewards of the organization’s values. They can make decisions without waiting for approval. When working as partners on a team, people put the team’s goals before the self and use the best of their collective strengths while nullifying their weaknesses. To foster this spirit, the manager should emphasize that no one wins unless everyone wins. Managers should also be willing to dive in and get their hands dirty.

Between departments, employees can partner to work on special projects. And outside of the company, organizations can partner with customers and vendors. If you engage all people like they’re on equal footing, giving them information and trust,

[Honestly this chapter of Carrots and Sticks Don't Work seemed like a rehash of previous chapters, emphasizing trust, respect, spurring personal growth. I think he didn’t have much more to say here beyond having a P for his acronym.]

**Actionables:**

- Share financial info with employees.
- Share big picture, long-term vision with employees. Have drumbeat meetings and publish department blogs.
- Involve employees in major decisions affecting the team, like hiring, equipment purchases, and budget.
- Reach out to internal and external customers for feedback. Work alongside them to fix their problems, rather than treating them like annoying clients. Fly them in to brainstorm about new services.
- As a manager, be willing to dig in and get your hands dirty and fight alongside your troops in the trenches. Walk the factory floors and ask individual contributors for their opinions.
- Build cross-departmental teams to allow crosspollination of ideas and people. More extremely, have people spend a day working in other departments, or crosstrain them in a second role so they can cover each other.
- Keep compensation and benefits egalitarian. No manager parking spots.
- Allow employees to have equity.
- Create an employee council consisting of a heterogeneous mix of employees.

**Chapter 9: Expectations**

This should be obvious: by setting clear goals, you get the outcome you desire. If you don’t tell people what you want, how can you expect to get it?
A failure to perform is often a failure to communicate clear expectations with employees. As with positive feedback, managers often underestimate the clarity of goals they give to employees. Employees don’t want to fail, and they don’t want to be yelled at. When’s the last time you purposely failed or felt good about failing?

Setting clear goals also allows you to evaluate people fairly. High-performing employees prefer this so their contributions can be distinguished from those of poor performers. “Just do your best” invites too much vagueness.

New employees need clear expectations to give them confidence they’re on the right track – think pointing a ship leaving port in the right direction. You might even make expectations clear during the interview process – what the hours are like, how they’ll be evaluated, what resources they’ll have. Doing otherwise invites dissatisfaction once they come onboard.

Goals should be:

- Clearly defined. Make the goals measurable. Give a sample of the expected output if possible.
- By knowing why a goal exists, the employee will be able to make decisions autonomously, especially in emergencies.
- Challenging but achievable. “I expect great things from you; please expect the same from me.”
- Time-limited. Use deadlines to get items on a worker’s schedule, and timebox items to give clear guidelines on how much time should be spent.
- Don’t change goals on a whim, or workers will feel their current work can be obsolete.

In the other direction, make sure you clearly understand your subordinates’ expectations.

Actionables:

- Set expectations in collaboration with employees. Let them define goals they feel comfortable with – this will secure their commitment moreso than goals handed down from on high.
- Make sure that goals are measurable and include time frames.
- Clarify how employees will be evaluated. Show them a performance evaluation form.
- Help employees prioritize their work, so the important work gets the proportional amount of effort.
- Explain the WHY behind expectations. This makes employees feel like partners in decision making. It also conveys the commander’s intent, empowering them to make local decisions in furtherance of the main goal. Charlie Munger of Berkshire Hathaway is a big proponent of this management technique.
- When employees fail, first look at your own behavior to see where you could have failed the employee. Did you communicate the goals adequately?
  - Use “I’m confused and I’m concerned – help me understand” to find where the information gap was.
- Hold employees accountable for their performance goals.
• Use deadlines to allow an employee to slot in work into a schedule.
• Use checkpoints to measure progress and course correct.
• **Give physical examples of the desired outcome.** Give a sample report, or visualize the final product. In extreme cases, do the job yourself as an example. (Anecdote about a CEO cleaning a VP’s office and telling him that was what he expected.)
• Set goals far in advance, so workers know what to expect. Set high level goals over 12 months.
• Set clear expectations for job candidates in the interview phase. Let them talk to current employees and ask questions.
• Give real-time feedback on how performance is matching expectations.
  - Crayola had a nice system of giving each station a small flagpole with a green or red flag, meaning OK or behind. If all stations had a green flag, a giant green flag in the middle went up. If that giant flag was down, people knew other stations needed help.
• Write down goals clearly after meetings and when delegating.
• Check for understanding – ask them to describe the goal back to you clearly, live or in a followup email.
• **Pull their expectations from them.** Ask them to list what they believe to be their expectations, then ask them to rate themselves from 1 to 5 on how well they’re doing. Then give feedback on how closely aligned you are.

### Chapter 10: Consideration

Consideration is giving careful thought to a person. Acknowledging that the person is human and not just a cog develops loyalty, not just in the recipient but also in teammates who witness considerate behavior. This inspires people to show up for work other than to receive a paycheck.

In contrast, acts of selfishness by the company promote tit for tat behavior, now that the employee has little faith the company cares. **If the company doesn’t care about the employee, why should the employee care about the company?**

**Building a personal connection with employees is important to pave the way for consideration opportunities.** The more connected an employee feels to her supervisor, the more she’ll open about personal issues, which will create opportunities for consideration by the supervisor. This creates a virtuous cycle.

**Actionables:**

• Notice when employees are not themselves and tell them you’re concerned
• Ask specific questions about the employee’s life to demonstrate interest and learn more. This provides more opportunities to be considerate
• Show proactive consideration by connecting the employee to things she would like
• Ask employees for input before big decisions that affect their jobs
• Reinforce team members who act considerately
• Encourage employees to go home when sick
• Be empathetic and flexible during personal or family issues. Trust the person to make the right decision for the job, and don’t treat her like a slacker
• **Benefit more than just the employee**, like the company that gave Turkey dinners to all employees
• Deliver bad news personally
• Support employees’ goals outside of work, like the company that gave each employee $10 for every pound lost, and paid for discounts off memberships to Weight Watchers
• Shut off your phone when talking with employees
• Begin meetings on time and end early if possible
• Ask staff how to shorten meetings or limit attendance
• Celebrate birthdays and work anniversaries
• Support creature comforts – make the work environment comfortable, not noisy, and give food when they’re pushing extra hard
• Set up flexible work times so the employee can schedule work at her convenience
• Let people personalize their workspace, bringing in photos

**Chapter 11: Trust**

Finally, T in RESPECT for this last substantive chapter of *Carrots and Sticks Don't Work*.

Trust is confidence in a person and absence of questioning of the person’s motives. Trust engenders engagement by giving the employee more ownership over her work and not wanting to let the supervisor down. Trusted employees feel more comfortable pitching risky ideas, and they’re more receptive to change as they believe the employer has the employees’ best interests at heart.

**In a culture of distrust, ideas are not shared for fear of others exploiting or disparaging them.** Motives are constantly questioned – “what is this person up to now?” Untrusting people assume the worst. It crowds out productive thinking.

Some people start out trusting by default, but for others, trust takes years to build. A single mistrustful step can shatter trust like pottery.

**Actionables:**

• If you’re starting with a negative reputation, address this upfront and get back to neutral ASAP.
• Provide autonomy and decision-making authority
• Reinforce when others have given you trust
• Keep your word on promises and commitments
• Admit mistakes when you make them, and accept responsibility when your team fails
• Give bad news directly to an employee without sugarcoating; don’t let gossip spread
• Let employees spend company money within certain limits
• Reassure anxious employees that you trust them to do the work
• Avoid signaling mistrust through micromanagement or intense monitoring programs. Posing constraints makes people look for ways to circumvent them
• Give credit where credit is due; don’t misattribute credit
• **Explain thoroughly when you override someone else’s decision**, or they won’t trust you to uphold their decisions in the future
• Probe when you feel an employee suddenly starts treating you differently, like withholding information – she may not trust you enough to confide
• If you’ve messed up, admit that you were wrong, apologize, and ask for another chance. Take personal responsibility rather than finger pointing.

**Chapter 12: Implementing the RESPECT Model**

Leaders earn RESPECT by practicing it everyday. Leaders tend to overestimate how much respect they give, especially since they rarely receive direct feedback about their interpersonal problems.

If you have a problem, the first step is to be aware of the problem and admit that it exists. *Carrots and Sticks Don't Work* is a great way to diagnose yourself and resolve your weaknesses before crises happen.

**Appendix: Team-Building Questions**

A good first step to building rapport is to know more about the person. Here are questions that people can answer about themselves to share more about each other. This can be circulated as a questionnaire, or done live in a group:

• Where were you born and raised?
• What are your favorite sports, clubs, hobbies?
• What are your children’s names and ages?
• What’s the most dangerous thing you’ve done?
• What’s one thing you want to experience/accomplish in your life?
• What is your proudest accomplishment?
• What was your favorite job and why?
• What was your worst job and why?
• What’s the best career advice you ever received?
• What advice would you give to someone starting her career?
• What are your push buttons – what gets you angry?