

CHAPTER 1

TEAMS ARE ADAPTIVE SYSTEMS

The human species is incredible. We explored seas, mountains, and space. We adapted to live in cities and to work jobs that didn't exist. We humans have an unrivaled capacity for adaptation.

That very capacity for adaptation also applies to employees at the workplace. A new hire with a demanding yet fair boss adapts to grow his skills and his ambition. One that gets a boss that demands but never gives pivots his contribution from performance to excuses.

The single most useful lens to observe and understand workplace behavior is that **teams are adaptive systems**. Their components – employees – adapt to their work environment and, in particular, to his or her manager's actions.

For example, **motivation is an adaptation to a work environment in which results bring positive outcomes**. If completing a task brings us a reward, or a feeling of accomplishment, or respect, it is only natural to want to do more of it. If you, as a manager, reward an employee of yours for a good result he brought, even just with a sincere thank you, I guarantee that he will get motivated.

Of course, you need to make sure that you reward results, not efforts. Otherwise, your employees will adapt, and bring less results but show more effort.

Conversely, if your employee obtains a good result and you fail to reward him – again, even just with a nod of the head –, you give him a work environment in which results go unrewarded. It is only rational for him to adapt by decreasing his engagement.

MOTIVATION IS AN ADAPTATION

Indeed, motivation is not a personal trait set in stone. It is an adaptation to an event that reveals that the benefits of an action were worth its costs.

Employees whose results are acknowledged grow motivated.

More importantly, employees whose results pass unobserved quickly grow demotivated. Their days at the workplace become a collection of clues that efforts are not worth it. **The rational adaptation for them is to minimize efforts.**

Motivation is an adaptation.

It is a reaction to events revealing that efforts are worth it.

A lack of motivation is an adaptation too.

It is a reaction to events revealing that efforts are not worth it.

INTERNAL AND EXTERNAL MOTIVATION ARE BOTH FORMS OF ADAPTATION

Some employees are externally motivated. Their motivation (or lack thereof) is an adaptation to an environment in which individual consequences follow (or do not follow) results.

Other employees appear to be internally motivated. Even in their case, motivation is an adaptation to cues that efforts are worth it. The difference is that they create these clues themselves. For example, they might grab pleasure or self-respect from learning new skills or from seeing themselves having done a good job.

Internally motivated employees are rare. Most other employees need the environment to provide for them clues that their efforts won't go to waste. You, as a manager, can help create such an environment.

Two factors are needed for an environment to provide clues that employees' efforts are not wasted. One, the employees must be able to convert their efforts in results. They might need skills to do that. If these are absent, you need to train them. **Two, the environment must provide rewards for their results.** You, as a manager, can set this environment or provide these rewards. For example, you can set a system to ensure that you can catch the good results of your employees and reward them with a thank you.

EVERYTHING IS AN ADAPTATION

If you acknowledge that teams are adaptive systems, it follows that at least some of the traits that you observe in your employees are rational adaptations to the events they went through.

These past experiences might have taken place at their current workplace, at a previous one, at school, or at home. Very often, the emotional baggage people carry is an adaptation to events of their past. Trauma is an adaptation. An overadaptation, perhaps, but an adaptation nevertheless. Laziness is an adaptation. Passivity is an adaptation. And so on. You cannot do anything to change the past of your employees, but you can help them find clues that they are in a different environment now.

Of course, there are individual differences in whether, how, and how much we react to an event, and some are innate. But most traits observable in a workplace are adaptations.

This means that **whatever workplace environment you give to your employees, they will adapt to it.** There are some traits and circumstances on which you have no control over. However, whether you give them an environment in which results are rewarded or ignored is largely in your control. The next section explains how.

MOTIVATION IS AN ADAPTATION TO EMOTIONAL REWARDS

I used the word “rewards” a few times so far. With it, I do not only intend formal rewards such as bonuses, promotions, or letters of merit. These are necessary to recognize sustained performance over time – no matter what else you do, an outstanding employee whose performance is not formally recognized is likely to leave your organization at some point – but they are not enough.

You can hardly award formal rewards more than once a year. This makes them unfit for adaptation purposes. Employees expect you to recognize their good to be recognized immediately, not at the end of the year. If an employee makes a great contribution in, say, February, he expects you to thank him for it in February, not later. By December, he will already have adapted to a lack of rewards.

Hence the necessity to use informal rewards, such as thank yous, handshakes, and other forms of acknowledgment that say, “good job.” These are the only ones that you can apply fast enough to consistently prevent a feeling of “my good results are not appreciated here” and the consequent rational adaptation to minimize one’s efforts.

Informal rewards provide the necessary immediacy

to avoid seeing one’s efforts go unrewarded

Before describing in better detail how the rewards you give and do not give trigger adaptations, let me repeat a very important point. **People need both formal and informal rewards.** We need formal ones there because, after all, we all want to receive money and status for the value we provide. And we need informal rewards because we all want to know that our efforts were not wasted, and we want to know it immediately.

This last part about immediacy is not a choice or a whim, but the consequence of the way our brain is wired. Whenever we take action, our brain produces an expectation of an emotional reward. If we get the reward, chemical changes take place in our brain that consolidate the behavior. They make us desire to repeat it, eventually making it a habit. If we do not get the reward, or if we get it too late, other chemical changes take place that make us less likely to repeat the behavior.

To sustain performance, employees need frequent informal rewards

The need for frequent, informal rewards is not a whim, but the consequence our brain is wired. Performance followed by a lack of reward leads to demotivation.

Informal rewards are anything that creates a feeling of happiness, relief, progress, self-confidence, or self-respect. They can be “thank yous,” “good jobs!”, signs of respect like higher autonomy, being acknowledged as the “go-to guys” for some narrow topic, the chance to work on prestige projects, handshakes, nods of approval, and so on.

There is some individual difference in how people respond to different kinds of rewards. It is part of your job as a manager to get to know your team and figure out how to dispense the most appropriate and effective informal rewards. As a rule of thumb, begin with a sincere “good job!”

INAPPROPRIATE REWARDS

After having said that employees need frequent rewards to sustain high performance, I must talk about a common mistake that managers do after they learn this.

Instead of learning the lesson that “to avoid motivational losses, reward good performance,” some managers learn the wrong lesson that “rewards generate good performance.” They then begin saying “good job” to everyone, no matter whether these employees did anything to deserve it. The resulting environment is “my manager tells me good job no matter what I do.” The consequent adaptation is “the optimal level of effort is no effort.”

Instead, good managers understand that they should only reward performance worth being rewarded. Rewarding anything else leads to complacence, mistrust, or to the rest of the team being upset for the unfair treatment.

Moreover, good managers also understand that they do not have to wait for quarterly results or year-end evaluations to reward performance. Instead, good managers look at opportunities to catch their employees doing “a tiny bit of performance.” Then, they tell him “good job *for that*.” That allows for faster feedback.

For example, John’s manager does not wait for John’s quarterly numbers to tell him how he feels about his performance. Instead, whenever he passes by John, he observes what he is doing or asks him updates on the projects he is working on. He makes sure to do it in a friendly and non-inquisitive way. As soon as he catches a genuine reason to tell John “good job,” he does so. These reasons are usually instances of desirable behavior. If John visited an important client in person instead of sending an email, say, and that is a behavior that John’s manager would want to see more often, then he should tell John “good job.”

At all times, you should look for opportunities to give your employees the environment that makes sustainable performance the rational adaptation.

Frequent informal rewards following desired behaviors are one of the best ways to do that.

There are other options, but they are worse. For example, “sticks and carrots” have a high risk of leading to minimum compliance (employees do just enough to avoid the stick or get the carrot and nothing more than that) and side effects (employees try to “game the system” to avoid the stick or get the carrot without doing the work that was intended).

Instead, **frequent informal rewards have the frequency and specificity to ensure that they only reward the desired behavior**, so that the resulting adaptation is beneficial for the organization.

Sticks and carrots (alone) generate unintended consequences

such as lack of performance beyond the minimum needed or at anything except what is being measured.

A further chapter will describe more in detail the various types and ways in which you can reward your employees. For the moment, let's see a general lens you can use to guide your managerial actions.

THE ADAPTATION LENS

The lens you should use at all times is the following.

With my actions, what environment am I creating for my team, and what adaptations will it trigger?

If you acquire the habit of asking yourself this question often, you will understand much better the long-term impact of your actions on the performance of your team.

FAIRNESS

At all times, you should strive to be fair. This is not only a good moral compass. It is also useful to avoid most unintended consequences in your managerial actions. Here are some examples:

- Failing to reward an employee's good performance is unfair *and* also leads to him getting demotivated.
- Rewarding an employee's mediocre performance is unfair to his better-performing teammate *and* leads to the team losing motivation.
- Rewarding a mediocre employee for a single instance of good performance is fair *and* leads to him gaining motivation.
- Failing to tell an employee that his performance was subpar is unfair *and* leads to him learning that mediocrity is okay or that excellence is unrewarded.

These were just a few examples. This book will cover more in further chapters. By the end of it, you will have learned that fairness is one of the most useful compasses to guide your actions from a team management perspective.

A fair work environment is the most motivating,
and an unfair one, the most demotivating.

A SUMMARY OF THIS CHAPTER

- Employees adapt to their work environment.
- In particular, motivation is a rational adaptation to a fair environment in which results are rewarded. (And a lack of motivation is a rational adaptation to an unfair environment in which results are wastes of effort.)
- Frequent informal rewards should complement formal rewards. The immediacy of the former is necessary to prevent a feeling of “my good results are not appreciated here” and the consequent rational adaptation to minimize one’s efforts.
- At all moments, strive to be fair. It is motivating, and it prevents your managerial actions from creating unintended side-effects.
- The adaptation lens: “with my actions, which environment am I creating for my team, and what adaptations will it trigger?”

EXERCISES

- 1) Think about a task towards which an employee of yours shows motivation. Could it be a rational adaptation? What emotional reward is he getting out of it?
For example, John loves to work with Client A. They always make him feel valued.
- 2) Think about a task about which an employee of yours is demotivated. Could it be a rational adaptation? To which experience of his?
For example, John hates to send reminders. It is because when he does, the recipients do not care to reply or, when they do, they are angry. He feels rude for nothing. As a result, he stopped sending reminders unless his boss specifically orders so.
- 3) Is there anything you can do to provide him with an environment where the rational adaptation would be motivation?
For example, John's manager committed to be more aware of what John is doing and to make sure that the good he does doesn't go unseen and unrewarded.
- 4) Set yourself a reminder on your phone or on your schedule to think, once a day for the following two weeks, about the following question. With my actions, which environment am I creating for my team, and what adaptations will it trigger?