

# Improving Organisational Performance: Reversal Theory at Work

*Managing the climate for improving individual and organisational performance has challenged business leaders throughout the twentieth century. In this article Steve Carter, Managing Director of Apter International and author of Renaissance Management, explains how the innovative approach of Reversal Theory may hold the key to managing the performance climate in the future.*

Case studies:            motivating the heart

**The Apex Group Inc.**, a provider of software engineering and systems integration, has managed to achieve far lower rates of turnover than their industry average - and this in an industry notorious for high rates of staff turnover. This has benefited the organisation through the personal continuity it can maintain in critical strategic alliances with some of the industry's biggest players including Microsoft, Hewlett-Packard and Oracle. Apec has achieved this by creating an individualised, accredited personal development route for their employees which emphasises the breadth and depth of the skills required in the industry. Using an intensive mixture of mentoring, internal and externally developed programmes and by encouraging more informal learning, individuals achieve certificated badges of achievement across a variety of technologies and disciplines. As a result of this, the company has built an environment in which motivation is 'palpable' and has a real competitive edge.

Although Apex Group Inc. is an organisation of about 180 employees, strategies to improve the level of intrinsic motivation are not limited to smaller organisations. **The Opel Eisensach plant** in former East Germany employs over 2,000 people and is now the most productive car plant in Europe. It was set up on the site of an old communist car production facility as a test bed for a new way of working within Opel. The plant is based upon highly flexible team-working, with teams having full responsibility for their area of work; management's role is one of coach and advisor. Flexibility is developed not just within teams but *between* teams - with inter-team exchanges to enable everyone to see the big picture. People are given the opportunity to challenge all work procedures, restructure workflow, make efficiencies that could include improvements to materials, assembly methods or equipment. Learning is both encouraged and rewarded and a culture of open communications and trust is promoted. In fact, the inherent intrinsic motivation is actively built up in virtually every respect and covers four key themes for motivation:

- clear goals;
- immediate feedback;
- skill/challenge match (with activities stretching but not going beyond an individual's capabilities);
- a sense of control.

In analysing the motivational environment of the plant Haasen and Shea<sup>1</sup> concluded that:

*'By far the most important message from Opel Eisenach's short history is that there is no limit to people's productivity. Opel Eisenach's secret of success is a team concept that provides an environment of integration and mutual support. Being part of a small family and working with friends is enjoyable... The outcome is unusual productivity. In early February of 1996, Opel Eisenach reported that it had produced 160,000 vehicles in 1995, an incredible 20% increase over 1994.'*

## OVERVIEW

In their quest to create the right conditions in which individuals can rise to the challenge of finding innovative ways to add value to their activities, organisations need to consider the way that they shape the contributions of the people who work for them. Simply put, the key question that organisations such as Apex and Opel face in leading their people is: *how do we get the maximum number of people to be willing to contribute a much greater amount of energy and talent to the organisation?*

A standard response may be to tinker with the pay and reward system in some way to try and incentivise a new way of working. However, there are clear and well-documented limits to this approach: for example, how do you succeed in times of adversity when rewards are limited? How do you succeed across borders and boundaries? How do you ensure that rewards and motivation keep pace with constantly changing roles and market conditions? Perhaps most importantly of all, how do you capture and foster such fragile and intangible resources as people's loyalty, knowledge and entrepreneurial spirit? *Renaissance organisations* are those that recognise the limitations of this approach, and this article explores how the successful organisation of the future can take a practical, innovative approach to motivation and improving performance.

## REVERSAL THEORY

A theory of motivation that has already proved useful in the areas of sports and health psychology, and is starting to have an impact on the world of organisations, addresses some of these issues. It is one that provides a powerful framework within which strategies based upon both intrinsic and extrinsic motivation can be accommodated and, crucially, *allows an organisation to understand the differences that lie between individuals in the way they are motivated.* The theory is called **Reversal Theory** and its prime author is Professor Michael Apter, a British Psychologist working at the University of Georgetown, Washington DC.<sup>2</sup>

### How Reversal Theory works

Apter's work recognises and focuses the paradoxes of human behaviour and suggests that we are all:

- Motivated to be serious and pursue goals, but are also motivated to play, take risks and look for excitement.

- Motivated to conform but also motivated to challenge.
- Motivated by issues to do with mastery - not just people, but also of processes and ideas - but also by caring, friendship and affection.
- Motivated by interest and focus on ourselves, but also on others.

Each of these statements encapsulates two motivational states or 'ways of being' (see figure 1). A state is a position we take in the way we view the world or particular aspects of it. For example, we may at different times see the same activity in quite different ways. Sometimes we may undertake it because it will give us access to some other goal (pay rise), sometimes because it enables us to work with people we like, sometimes because it will allow us to prove a point or challenge the system, sometimes just simply because we find the activity interesting and fulfilling. The important thing is that the activity has stayed the same but our response to it has changed *because our motivational state has changed*. Specifically, these eight states can be recognised as four pairs of opposite states. We frequently switch - or *reverse* - between these opposite motivational states in the course of everyday life and under a variety of circumstances.

Figure 1: pairs of motivational states



The pairs of states are as follows:

- The *serious* state, focused on important goals, planning ahead, avoiding surprises and anxiety, versus the *playful* state, focused on immediate enjoyment, acting spontaneously, creating excitement and taking risks.

- The *conforming* state, focused on obligations and the maintenance of rules and routines, versus the *challenging* state, a questioning, assumption-testing state focused on personal freedom.
- The *mastery* state, focused on power, control and dominance, versus the *sympathy* state, focused on security, caring and harmony.
- The *self-oriented* state, focused on one's own needs, versus the *other-oriented* state, focused on the needs of others.

These states combine with each other in various ways at different times, to give rise to the full range of human emotions and behaviours.

These states are experienced not singly but in combinations of one of each pair, although one or two will be ascendant at any one time. An important argument of Reversal Theory is that all eight states contribute to mental health: a person needs to become skilful in meeting the different needs of those states through his or her behaviour and activities. Importantly, virtually all combinations of these states can drive organisationally useful behaviours (see figure 2).

Figure 2: contribution of motivational states to organisational behaviours

Motivational state	Experienced at work as:
<b>Serious</b>	Focus on goals, achievement, direction, planning - risk conscious.
<b>Playful</b>	Focus on experimenting, trying things out, creativity, open thinking, intrinsic pleasure of the activity or job itself.
<b>Conforming</b>	Focus on implementation, following agreements and processes. A concern for maintenance, fitting-in.
<b>Challenging</b>	Focus on being different, breaking conventions, critical analysis, conflict.
<b>Self-oriented / sympathy</b>	Focus on building harmony and good personal working relations, wanting to belong and co-operate. Wanting to be supported.
<b>Other-oriented / sympathy</b>	Focus on emotionally supporting and caring for others, willingness to sacrifice own needs for others. Team spirit.
<b>Self-oriented / mastery</b>	Focus on personal success and a willingness to take responsibility, control and master new challenges.
<b>Other-oriented / mastery</b>	Wanting the team or the organisation to succeed, Focus on building up the power and resources of others.

It should now be possible to recognise how the successful organisations mentioned earlier have built their motivational environments. Clearly both Apex and Opel have emphasised environments that encourage self-oriented mastery. The team-working at Opel, in particular, taps into the sympathy states, in terms of the family atmosphere. Motivations to challenge and question will also be encouraged and not driven underground into 'political' behaviour. The Reversal Theory model also emphasises the place of extrinsic

motivators. People in a *serious* oriented state will find the existence of specific objectives, and rewards of some kind, important and valuable (however, these would not motivate them while they were in a *playful* state). Interestingly, in a *conforming* state, they would continue to work towards these goals, even though they might believe they were the wrong ones.

### The impact of work

The implications of the Reversal Theory are interesting. According to Apter, who draws on a wide variety of diverse ethnic and cultural research, everyone experiences all of the eight states, differing in the amount of time they spend in each of them. The result of this is that organisations should not rely on just one motivational approach.

All eight states contribute to a high-performance, motivational environment. Every motivational state also has something distinctive and essential of its own to contribute. Traditionally, organisations (and teams) tend to emphasise the serious, compliant and mastery motivational states at the expense of the playful, challenging and sympathy states. It could be argued that, if organisations encourage only a limited range of states - perhaps about half - then they should not be disappointed if they only get one half of a person's personality and contribution. Among other problems, a limited involvement of the whole of an individual makes change and innovation more difficult to accomplish and to sustain; change will involve risk, challenge and support for many others.

**Successful organisations will be those who give great attention to the range of motivational opportunities they provide, across all eight states.**

Reversal theory allows us to map the contribution that diversity can make at two levels: organisational and individual. The first level relates to the diverse environment, in which the organisationally relevant behaviours elicited by each motivational state can encourage the motivational range of the *organisation*. The second level of diversity exists at the *individual level*. People differ in the amount of time they spend in each state. Although this is, in part, a function of the climate and culture of the organisation, it is also determined by each person's individual experience and the stage of their life. Reversal Theory provides the opportunity both to understand better the contribution this individual diversity offers and to access the contribution this diversity can make at an individual level. Therefore, using this approach it is possible to approach the situation of the plateaued manager with renewed insights into the cause of their low energy contribution. This in turn will lead to the possibility of making interventions across *all* the motivational states to improve that contribution.

## BUILDING A MOTIVATIONALLY RICH ENVIRONMENT

A focus on Reversal Theory is useful because it offers a framework for understanding and improving the motivational climate of work, which accommodates all the insights and innovations in this area over the last thirty years. In addition, it goes beyond other current theories, and also allows organisations to understand the essential inconsistency

of individuals and the potential that such inconsistency offers an organisation. People can and do work in the paradoxical way proposed by Reversal Theory because that is how they experience life as a whole.

#### Understand the current environment

The first step for any organisation wishing to create a richer, more intrinsically motivating environment will be to understand better the organisation's current environment. An important factor will be to understand the gap between what is *wanted* by individuals and what they are *receiving*. Recently, a relatively simple survey by Gallup has shown the impact of a satisfied workforce<sup>3</sup>. Organisations where employees respond highly in terms of satisfaction - in such areas as clear goals, recognition, support, friendship and learning - outperformed rivals in terms of hard measures such as productivity (by 22 per cent), customer satisfaction (38 per cent), profitability (27 per cent) and employee retention (22 per cent). (All figures are from the US.)

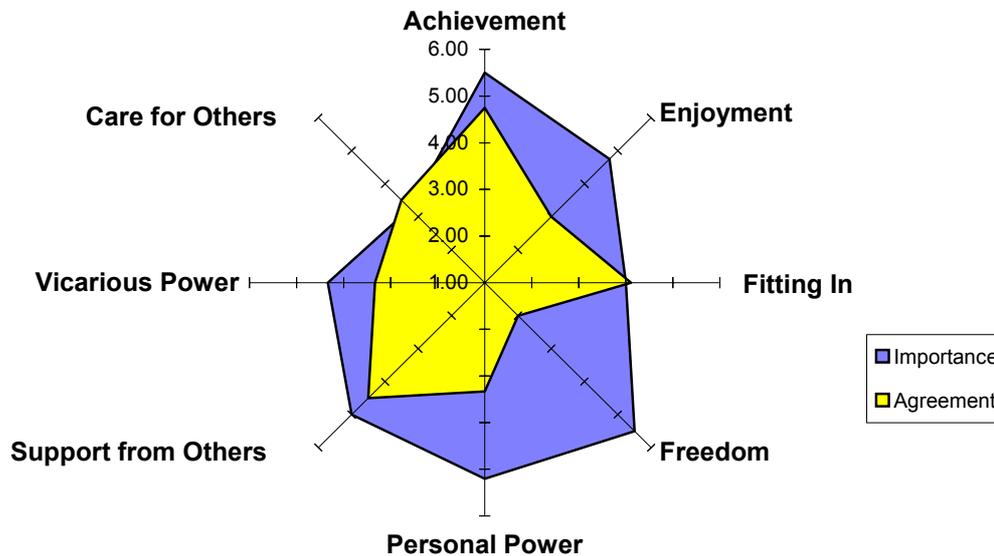
However, it is possible to go a stage beyond this. Knowing your employees are happy is important, but it is vitally important to know what they consider motivationally important. For example, having decided to exercise their playful and challenging states outside a work environment, a satisfied workforce may not reveal that they regard challenge and creativity as unimportant. It also essential to be clear should there be any differences between managers and the rest of the workforce over what is considered to be important. Major blockages can occur when, for example, the senior team and the workforce think it is important to be motivated to take more responsibility and act autonomously, but middle management disagrees!

Although there are ways of profiling the motivational environment of an organisation (see *The Work Impact System* below) it is essential that the management of the organisation is deeply and thoughtfully in touch with how different parts and individuals within the organisation are presently motivated and to what extent they feel satisfied within different motivational states. A key element of building high performing teams will be the extent to which a wide variety of motivational states are promoted and where satisfaction can be achieved within them. Other critical circumstances for understanding and managing the motivational environment would be situations of restructuring, merger, takeover and so on.

#### The Work Impact System

The *Apter Work Impact System*<sup>4</sup> is an instrument based on Reversal Theory, which surveys the motivational states as organisational values and which tackles these issues. Ongoing work has shown that individuals within organisations find that their needs within different states are met to different extents. Not surprisingly, personal power (self-oriented mastery) and challenge are amongst the least satisfied states (see figure 3). This part of the survey shows an individual comparison of what a group of employees consider to be important, and the extent to which they feel satisfied in these states. The system has also demonstrated that different parts of the organisation can have quite different levels of importance and satisfaction, particularly amongst the sub-dimensions that make up different states.

Figure 3: Work Impact Survey - overall factors



Motivational state	Organisational value
Serious	Achievement
Playful	Enjoyment
Conforming	Fitting In
Challenging	Freedom
Self/mastery	Personal power
Self/sympathy	Support from Others
Other/mastery	Vicarious power
Other/sympathy	Care for others

SUMMARY - REVERSAL THEORY AT WORK

This article has focused on what it would take to build the conditions in which individuals can truly contribute their full potential to an organisation. Increasingly, organisations need to look beyond the usual mix of carrot and stick.

Somewhat cynically, in the face of a volatile and competitive market, it could be argued that the instinctive organisational response is a knee-jerk reaction of tighter control - of costs, quality, decision making - and exhortation. This view is locked into an outmoded and increasingly irrelevant view of how to achieve an effective workforce, and can result in a climate of fear and a 'head down' mentality which is

***In the future, management will have to keep in touch at a new level of intensity with the working environment of their organisation, responding to its dynamic and unfolding nature.***

just what should be avoided. At best, exhortation seems to result in people working harder but rarely smarter, and leads to a working climate that encourages excessive hours. The strategy does not acknowledge the inherent power in an increasingly mobile workforce, and ignores it in terms of its effects on staff turnover. Furthermore, it does not

begin to start aligning the needs, talents and energy/value creating ability of individuals with that of the organisation. The following factors are needed:

- a much greater awareness of *how* people are motivated;
- an understanding of the potential worth to the organisation of people who are more intrinsically motivated, and
- the need to build complex and rich motivational environments which reflect not just the differences between people, but also the fact that individuals are changing and inconsistent in their needs.

Successful organisations of the future will be those that actively seek to build the climate, structures, systems and processes that allow them to build high-energy environments. They will be characterised by gaining much more of the potential of their employees who have a strong sense of purpose and believe that innovation, and formulating a response to changes in the marketplace, are their responsibilities. In the markets in which they operate they will be recognised as being - either through *what* they offer or the *way* that they offer it, or both - capable of meeting customer needs in ways that set them apart from their potential competitors. Internally, they will have created an architecture that means that they will be characterised by their responsiveness to change, their efficiency and adaptability. Also noticeable will be their ability to realise innovative potential - not just within specific groups or individuals but between the different parts of the organisation as a whole. If the organisation can unlock this commitment then it can build sufficient energy to compete from both ends: from its people and from its market place. Designing and managing organisations who can do this is the leadership challenge for the new corporation.

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<sup>1</sup> Haasen, A. and Shea, G.F. *A Better Place to Work*, American Management Association, 1997

<sup>2</sup> Apter, M. *Reversal Theory, Motivation, Emotion and Personality*, Routledge London, 1989

<sup>3</sup> Caulkin, S. *Where the pat on the head can mean money in the bank*, Observer, 19 April 1998

<sup>4</sup> Carter, S., Apter, M. and Shelton, M. *The Apter Work Impact System*, Apter International, 1998