Rewards and Punishments are Outdated

Why do people do what they do? What drives behavior? Understanding this is important for guiding your own behavior to achieve your goals, and driving other people’s behavior to meet the organization’s goals.

Starting with the basics: humans, like any other animal, have a foundational desire to survive. Thus we seek food, water, and shelter.

On a higher level, we also seek reward and avoid punishment. Within management, this gave rise to the “carrots and sticks” model - reward the behavior that you want, and punish the behavior you don’t want.
This system worked well in the era of industrialization. Because human work in factories was easy to measure, it was easy to see how work policies changed productivity. Pay a person more per widget they make, and that person will crank out more widgets. These extrinsic (or external) rewards work well for routine tasks.

But in the new information economy, this model is now outdated. The new economy requires thinking skills - creativity, collaboration, long-term thinking. But research suggests extrinsic rewards harm all of these qualities:

- Rewards decrease creativity and narrow focus
- Rewards encourage people to cheat, think short-term, and exploit the incentive system
- Rewards decrease internal motivation to do a good job
- Rewards aren't enduring - people get used to them, and if you ever take them away, they'll stop the behavior

The model of extrinsic rewards also doesn't explain some trends, like people leaving well-paying jobs for lower-paying jobs they enjoy more. It doesn't explain why unpaid volunteers contribute tirelessly to Wikipedia.

What's needed is a new, more complete model of human motivation.

**Intrinsic Motivation**

Intrinsic motivation is a desire to do something for internal satisfaction, not for external rewards.

Imagine a child playing with a toy. The child isn't being paid to play with it -- curiosity and enjoyment are enough.

As an adult, intrinsic motivation increases job performance in the long term. It's also more enduring - intrinsic motivation doesn't decay like external rewards do.

Intrinsic motivation is made up of three components:

- Autonomy: having a choice in what you do, and being self-driven
- Mastery: wanting to get more skilled and be recognized for competency
- Purpose: understanding why you're doing the work. Often centered around helping other people

A bit more about each component:

**Autonomy**

- There are four major dimensions of autonomy:
  - Over tasks: people can choose what they work on
  - Over time: people can choose when they work
  - Over technique: people can choose how they accomplish the goal
  - Over team: people can choose who they work with

- Different people prefer different mixes of these dimensions of autonomy.
- Management guidance: People are naturally wired to be self-driven. Set the direction, trust people to do a good job, and then be hands-off.

**Mastery**

- People naturally want to get better at skills and be recognized for their skills.
- To make faster progress on the path to mastery, conduct deliberate practice:
  - Do challenging tasks that are at the limit of your ability, but not so hard that you will...

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**Drive Summary Shortform Caveats**

*Drive* has interesting ideas that seem true on introspection, but the book is very light in cited research, and heavy in anecdotes. The concepts in *Drive* originated in basic research, but many applications in management are only anecdotes – a certain company instituted 20% time, and lo and behold they started growing! Select anecdotes suffer heavily from bias and are relatively unconvincing.

Furthermore, since its publication, several policies touted by the *Drive* book have received backlash or even been repealed. For instance, Google's famous 20% time has been repealed (we'll explain why later). Netflix offers unlimited vacation days, but workers sometimes complain that it sets unclear expectations that cause people to take less vacation. The policies cited in this book haven't been sufficiently proven to stand the test of time.

Finally, one of the central premises of the book is that financial incentives don't do a great job of...

**Drive Summary Introduction**

*Drive* begins with a research study. In the 1940s, operant conditioning was the standard model of behavior. The foundation of this model was that if you give a reward to someone after a behavior, you encourage that behavior to happen again. If you don't reward a behavior, it extinguishes over time. This idea was borne out in numerous animal studies and also became the model for human management in the workplace.

But in 1949, Harry Harlow, a professor of psychology, discovered a deviation from this standard reward model. His team had created a mechanical puzzle for rhesus monkeys to complete. They placed the puzzles in the monkey cages to habituate them to the puzzle in preparation for the real studies that would happen two weeks later. But strangely, the monkeys began playing with the puzzles independently, with determination and what looked like enjoyment. Without any explicit rewards like fruit juice, the monkeys learned to solve the puzzle of their own volition. Classic operant conditioning couldn't explain this - why would the monkeys do anything without the expectation of a reward?

This breakthrough finding prompted Harlow to offer another model of motivation: “intrinsic reward.” The joy of the task was its own reward - no extrinsic rewards needed to be given.

Even more surprisingly, introducing rewards like food decreased monkey performance – they made more errors and solved the puzzles less frequently. External rewards seemed to disrupt performance, contrary to standard reward models.

This research was controversial and lay fallow until 1969, when a graduate student named Edward Deci discovered Harlow's research and tried a new experiment with humans. All participants were tasked with solving puzzles requiring rearrangement of separate plastic pieces into shapes.

The experiment ran in one-hour sessions held over 3 consecutive days. In each session, a participant was given 3 puzzles. When the participant had solved 2 of 3 puzzles, Deci told the participant he had to step out for a few minutes to retrieve the 4th puzzle, and the...
Drive Summary Chapter 1: Old Understandings of Motivation No Longer Work

Much like computers, society is run by underlying operating systems – a set of protocols, laws, and understandings that govern how we view the world and how we behave with each other.

The earliest operating system, termed Motivation 1.0 in the book, was simple, biological: we are animals trying to survive, and satisfying the primal needs of food, water, shelter, and sex is a fundamental driving force. This kept the human species alive for much of our evolutionary past.

But when humans created more complex societies, Motivation 1.0 was inadequate. Satisfying primal urges would have encouraged theft, murder, and adultery. So common expectations of behavior were put into place to suppress Motivation 1.0. Humans transcended to organize around a second drive, Motivation 2.0: to seek reward and avoid punishment.

This worked especially well during industrialization in the 19th and 20th centuries. Because human work in factories was easy to measure, it was easy to see how work policies changed productivity. Pay people more per widget they make, and they'll crank out more widgets.

Thus, the management approach in this period viewed workers as simple cogs in a machine – lubricate them appropriately with external rewards or punishments, and they will run smoothly to keep the overall machine humming. This is a relatively simple model to understand, monitor, and enforce. Motivation 2.0 enabled great efficiency of manual labor and assembly-line performance, which spurred much of the growth in the past 200 years.

But more recently, Motivation 2.0 has run into limitations itself. It fails to satisfyingly explain certain phenomena like:

- Wikipedia successfully thrives as a massive crowd volunteering effort – no contributors are paid for editing and adding material. In contrast, Microsoft Encarta, an encyclopedia from the 1990s, failed to keep up with the Internet despite massive financial investment.
- Imagine you were asked in that time to bet on which product would succeed: 1) a product made by the world's largest software...

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Drive Summary Chapter 2: Seven Reasons Rewards and Punishments Don’t Work

The outdated Motivation 2.0 is based on two ideas:

1. Rewarding an activity will get you more of it.
2. Punishing an activity will get you less of it.

This “carrot and stick” model is still generally effective in the workplace. At a minimum, compensation serves as a “baseline reward” or a “hygiene factor” – if it's not there, the worker cannot focus. She'll obsess over how unfair her situation is and be anxious about her financial problems. So high enough financial rewards are necessary for a baseline of motivation.

But Motivation 2.0 is incomplete in explaining worker behavior. Even further, when it's applied incorrectly, it can actually be counterproductive.

Rewards Give You Less of What You Want
Rewards Decrease Intrinsic Motivation

Given a task without promise of pay, you might think it’s kind of interesting and worth doing just for its own enjoyment. Get paid to do it, and suddenly it’s not as fun any longer.

We’ve already seen research studies supporting this idea in the Introduction.

Remember Tom Sawyer’s fence painting experience, when he’s punished with whitewashing a fence. When another boy walks by, Tom pretends to be loving his time. Painting the fence isn’t a punishment – it’s a privilege, something to be mastered only by artisans. The boy begs to help, but Tom refuses, further stoking the boy’s interest. Tom finally relents when the boy gives him an apple, and soon the neighborhood boys are all whitewashing.

Mark Twain wrote, “Work consists of whatever a body is obliged to do, and Play consists of whatever a body is not obliged to do.”

This idea is counterintuitive - if you enjoy something when you do it for free, then wouldn’t adding money only make it better?

The book argues that **rewards require people to forfeit some autonomy** – if a person is doing something by herself, she’s fully in control of her behavior. But once she starts doing it for money, someone else is pulling her lever, and she no longer feels fully in control of their lives.

Extrinsic rewards also quash the cognitive dissonance that...

Shortform Exercise: Consider Your Motivation

Reflect on how rewards affect your behavior and motivation.

Have you ever done something purely for fun, then started getting paid for it? Describe the situation. How did getting paid change how you felt about the work, and how motivated you were?

Drive Summary Chapter 2A: …and the Exceptions When Rewards Do Work

The author admits that rewards and punishments do work well in certain conditions.

First, workers need a secure baseline of compensation and work environment. If a worker is constantly anxious about how she’s going to put food on the table, she’ll find it hard to concentrate, no matter how enjoyable the task is.

Extrinsic Rewards for Routine Tasks

Next, **extrinsic rewards work when the task at hand is routine and doesn’t involve creative thinking**. Here, rewards don’t threaten intrinsic motivation because there is little intrinsic motivation to be undermined. Imagine doing a routine job on an assembly line.

You can make this work in your favor by promising rewards for work that is dull. For instance, if you need your team to pitch in on package shipping over the weekend, promise a party at the end.

Even better, supplement the reward with these three items:

- **Explain why the task is important.** Talk about the larger purpose of the work and how it helps achieve your organization’s mission.
- **Acknowledge that the task is boring.** This establishes empathy (“the boss knows what we’re going through”) and helps people understand this is the exception in your working relationship.
Allow autonomy in completion of the task. When the task is boring, give people freedom in how exactly to execute the task.

Extrinsic Rewards for Non-Routine, Creative Tasks

Creative tasks are more likely to be driven by intrinsic motivation, which can be undermined by extrinsic rewards. The author gives a few ways to give rewards without dampening...

Drive Summary Chapter 3: Extrinsic vs Intrinsic Motivation

In the book we'll discuss two types of behavior:

- **Type X** behavior is driven by **extrinsic** desires and less by the intrinsic satisfaction of an activity. This is Motivation 2.0.
- **Type I** behavior is driven by **intrinsic** desires – autonomy, mastery, and purpose. This is Motivation 3.0.

People tend to be driven primarily by either Type X or Type I. Consider yourself – what gets you up in the morning and pushes you through the day? What motivates that colleague that seems like a continuous go-getter?

Organizations also tend to be driven primarily by either Type X or Type I motivation. Picture a strict, commission-based salesforce running on Type X, while a free-working company like Google leans more Type I.

The book makes a few points about Type I behavior:

- **Type I's outperform Type X's in the long term.** While extrinsic rewards can fuel work in the short-term, they tend to exhaust as workers habituate to the reward. In contrast, intrinsic motivation can be self-sustaining and renewable over long periods of time.
- **Type I behavior comes from both nature and nurture.** Type I seems to be the natural state of most human beings (imagine the curiosity of a child), but Type X is forced upon us by the way we run our homes, our schools, and our workplaces.
  - But there's still hope - with education and the right environment, extrinsically motivated Type X's can become...

Shortform Exercise: Type X or Type I?

Think about different scenarios where you’re more Type X or Type I.

Do you consider yourself more motivated by extrinsic rewards, or by intrinsic rewards? Describe why you believe this, maybe with a specific recent example.

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**Drive Summary Chapter 4: Autonomy**

So far, we've covered how the traditional reward/punishment system is limited in motivating today's workers. But how do we replace Motivation 2.0?

With Motivation 3.0, which is focused on intrinsic rewards. In the next 3 chapters, we'll go through the 3 main components of Motivation 3.0: Autonomy, Mastery, and Purpose.

Consider this thought experiment: would you rather be paid $75,000 to be an architect for the rest of your life, or $100,000 to be a toll booth operator for the rest of your life? If you choose the former, you've recognized that compensation isn't everything. Being an architect gives you the autonomy, mastery, and purpose that is worth real value.

**Autonomy**

**Autonomy is acting with internal choice.** With autonomy, you have the ability to influence the work that you do and how you do it.

Autonomous motivation has been associated with good things: greater conceptual understanding, better grades, job satisfaction, higher productivity, less burnout, faster company growth, and better psychological health.

**Autonomy is different from independence.** Autonomy does not imply doing it alone and refusing the help of others. Instead, autonomy means acting through internal choice and not being driven by external pressure.

Why is autonomy so uncommon in today's work environments? Historically, “management” has assumed the worst of people. “Left alone, workers get distracted and shirk their responsibilities. Without being told what to do, people will screw it up. Therefore, workers must be monitored and micromanaged.”

But Drive argues that humans are naturally wired to be self-driven. Look at infants and children – how many are not naturally curious, internally driven to explore the world without dangling rewards? Instead, we have our intrinsic motivation beaten out of us through rigid, paternalistic environments: home, school, and work.

To develop an intrinsically motivating environment, you need to allow people to rekindle their autonomy. Counter-intuitively, people who are given more freedom may be even more accountable for...

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**Shortform Exercise: Get More Autonomy**

Autonomy gives you more internal choice over what to do and how to do it.
Which of the four components of autonomy is most important to you? (Tasks, Time, Technique, or Team). How much autonomy do you get in this today?

Drive Summary Chapter 5: Mastery

People naturally want to get better at skills and get recognized for their competency. This is mastery.

How is the pursuit of mastery beneficial? Mastery drives people to be more productive and more satisfied with their work. One study showed that in an engineering workplace, the desire for intellectual challenge was the best predictor of productivity. People who were extrinsically motivated worked just as hard, but they accomplished less, as defined by number of patents filed. And a survey of employees found that the greatest motivator is “making progress in one’s work.”

In your organization or life, you can promote mastery in these ways:

- **Give goldilocks tasks** that are neither too difficult (which provokes anxiety) nor too simple (with causes boredom). You want to challenge people right at the brink of their ability.
- **Give people clear goals**. A challenge that is out of reach for ability becomes even more anxiety-provoking when the worker isn’t sure what to do. By defining what should be achieved clearly, the worker can focus on how to achieve it.
- **Provide fast feedback**. Improvement requires understanding what you did well and how you can improve in the future. Fast feedback increases the iteration speed and rate of learning.
- **Add more challenges to people’s jobs**. Keep pushing people’s boundary of comfort to keep it interesting and give the feeling of growth.

These items form the foundation of deliberate practice, the efficient way to maximize growth within a period of time.

When challenged at the right level, people enter a state of *flow* – where the challenge is just right, the goal is just out of reach, and the task is so engaging that doing it is its own reward. People rate flow as the most satisfying experience in all of life, even moreso than leisure activities.

The book states there are three psychological components to Mastery.

1) Mastery Requires the Growth Mindset

Some people tend to believe that they’re born with the intelligence they have, and that people don’t get any smarter with...

Shortform Exercise: Aim to Achieve Mastery

The pursuit of mastery drives people to be more productive and more satisfied with their work. Try to improve your desire for mastery.

Do you have a skill that you wish to master? What is it, and what level of mastery do you want to achieve?
In addition to autonomy and mastery, the *how* and the *what* of work, the third pillar of Motivation 3.0 is the *why* of work. What purpose does the work serve? What is the value of what I'm doing? In particular, **people are wired to want to help other people** – it may be part of our evolution, selecting for people who do something beyond themselves.

In the absence of outward-looking purpose, people can become anxious or depressed. And if people blindly profit goals, at the expense of building meaningful relationships and achieving purpose, they may regret their emptiness when it's far too late to change course.

Data suggests that today's workforce is feeling an increasing need for purpose:

- Volunteerism rates are increasing rates, and this is correlated with increasing levels of worker disengagement. This suggests volunteering nourishes people in ways that today's work does not.
- Workers rate nonmonetary factors like "giving back to society through work" as more important rewards than money.
- After the 2008 recession, a set of MBAs decided to institute an MBA Oath, centered around "serving the greater good by bringing people and resources together."

Studies also show that **acknowledging purpose makes people work harder and perform efficiently**. In an experiment with university fundraisers, the group that was read stories about how raised funds benefited students worked harder and doubled the amount of money raised.

**Here's...**

### Shortform Exercise: Increase Your Drive

Now that you understand the components of motivation, try to figure out how to increase yours.

Which one of the three components is weakest in your life: autonomy, mastery, and purpose? Why do you feel this way?

### Drive Summary Chapter 7: Tips to Increase Intrinsic Motivation

The book ends with a number of tips on achieving Type I intrinsically motivated behavior. We've grouped them into three categories:

1. How to increase your own personal motivation
2. How to increase motivation in your organization
3. How to increase motivation with your children

### Questions to Ask Yourself

Here are exercises to bring more Motivation 3.0 into your life and make necessary changes.

**What is your sentence?**

A congresswoman once told President JFK, "a great man is a sentence. Lincoln's was: 'he preserved the union and freed the slaves.' FDR's was: 'he lifted us out of the Great Depression and helped us win a world war.' What is your sentence?"

What is your sentence? **What is the one thing you want to accomplish or be known for?** You may need to reorganize your life to focus on this.
How did you get better today?

In pursuit of your sentence, you'll need a lot of small tasks and setbacks. To keep yourself motivated, ask yourself at the end of the day: “are you better today than you were yesterday?”

Write down your small incremental steps, like learning 10 foreign words, or running two laps. Remind yourself you won't be a master by day 3, and that mastery is a journey of a thousand steps.

Consider taking a sabbatical.

Many people work hard for 40 years, spending the final 25 years in retirement. But why not take retirement 5 years later than you otherwise would, and sprinkle 5 years of sabbatical throughout your career?

Taking a year off might give you valuable time for personal exploration and unstick you from the rat race.

Conduct deliberate practice.

The best way to improve is to apply effort toward improving performance. Don't just blindly do the same thing over and over again. Conduct deliberate practice:

1. Set a stretch goal. Remember that the goal of practice is to improve performance, not to go through the motions. You need to strain yourself to reach higher each time.
2. Understand your weaknesses, and direct your effort there.
3. Apply full concentration and effort. It's going to be mentally...