

NANO TOOLS FOR LEADERS®

MOTIVATION 101: ENCOURAGE YOUR TEAM WITH SOCIAL COMPARISONS

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes — with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

Contributor: Jonah Berger, PhD, Associate Professor of Marketing, The Wharton School, University of Pennsylvania.

THE GOAL:

Use the power of social influence to provide encouragement for yourself and your team.

NANO TOOL:

Whether you're trying to inspire your sales team to work harder or encouraging greater innovation throughout your organization, social comparisons can be a powerful motivating force. Giving people a sense of how they stack up against their peers can encourage them to work harder and be more likely to achieve their goals. But there's a limit to the effectiveness of comparisons: if not carefully designed, social comparisons can lead people to get discouraged, give up, and quit.

A widely used example of how not to use them is the winner-take-all model. The person who makes the most sales this quarter gets promoted, and the team that comes up with the best new product or service wins an award. While this strategy motivates people who have a chance at the top slot, it often demotivates those who feel they have no shot at winning. Someone who has only half as many sales as the leader may think they are so far back that there's no use trying.

Instead of demotivating the majority, create environments and shape situations that allow social comparisons to motivate everyone. The Action Steps below offer four ideas for providing the right kind and amount of competition that improves performance.

ACTION STEPS:

- **Shrink the comparison set.** If you break larger groups of employees up into smaller groups based on performance, you can encourage comparisons with those of similar ability. This decreases the chance that they'll feel far behind and helps to maintain their motivation. Some organizations give people feedback that compares them to the person just ahead of them. For example, Opower (see below) tells people where they are in relation to neighbors with similar homes, rather than how they compare to the best-performing households. Making each person feel slightly behind increases effort and performance.
- **Consider job applicants who are qualified but need to advance their skills to succeed.** These individuals are often more highly motivated than those who are highly qualified.



- **Make comparisons with other firms.** Coke and Pepsi, Apple and PCs, Burger King and McDonalds: the history of marketing is filled with examples of direct comparisons. They work especially well when the underdog firm takes on a more powerful rival in a David versus Goliath scenario, such as when Pepsi declared it was the “choice of a new generation,” implying that Coke was for old people.
- **Set realistically aspirational goals.** When goals are lofty but within reach, people tend to stay motivated and perform better. Whether for yourself or your team, create performance goals that will encourage hard work and are attainable.

HOW ORGANIZATIONS USE IT:

- Opower, a customer engagement platform for utilities, works with more than 100 utility companies worldwide. It sends consumers carefully targeted energy reports that help them understand how much energy they are using by putting the usage in context. Specifically, the reports show consumers their consumption relative to similar households nearby. They also pair that information with specific customized steps different consumers can take to save energy. Since their launch, Opower’s programs have helped save more than 6 terawatt-hours of energy, which is 6 trillion watt-hours, or the equivalent of taking all the homes in Alaska and Hawaii, more than 2.1 million people, off the power grid for an entire year. Opower hasn’t just saved energy though; it has also helped reduce carbon dioxide emissions. The cumulative impact of these reduced emissions is equal to saving more than 24,000 football fields’ worth American forests or taking almost all the cars in Chicago off the road for a year.
- Rental car company Avis started using its “We Try Harder” tagline in 1962. Boldly declaring that they were No. 2 (to Hertz’s No. 1, although they never mentioned their rival), they became profitable for the first time in a decade, going from losing \$3.2 million to earning \$1.2 million in one year. The growth continued: by 1966, its market share percentage against Hertz grew from 61 Hertz/29 Avis to 49/36. That’s when Hertz started fighting back, explaining in a new ad campaign why Avis was No.2.

ADDITIONAL RESOURCES:

- Invisible Influence: The Hidden Forces that Shape our Behavior, Jonah Berger (Simon & Schuster, 2016). Explains how social influence works, allowing the reader to decide when to resist and when to embrace it — and learn how to use this knowledge to exercise more control over personal behavior.
- Jonah Berger teaches in [Digital Marketing Strategies for the Digital Economy](#) and [Global CEO Program: A Transformational Journey](#).

ABOUT NANO TOOLS:

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, director of Custom Programs at Wharton Executive Education. Nano Tools for Leaders® is a collaboration between joint sponsors Wharton Executive Education and Wharton’s Center for Leadership and Change Management. This collaboration is led by Professors Michael Useem and John Paul MacDuffie.