

YOUR SOURCE FOR SCIENCE-BASED
BUSINESS KNOWLEDGE
AND IDEAS

MILPRC

REPRINT 0714034036

**Human Resources:
Leadership and Sustainability**
by Carin Eriksson Lindvall

Mercury Magazine 2014, Summer/Autumn
(Special Issue on Sustainability),
Issue 7-8, pp. 034-036.

Mercury Magazine issue No. 7/8, [Summer/Autumn] 2014. Copyright © 2014, The Department of Business Studies, Uppsala University. All rights reserved. Reproduction of the printed magazine in whole or in part without written permission is strictly prohibited. Mercury Magazine ISSN 2001-3272 is published by the Department of Business Studies, Uppsala University, Box 513, SE-751 20 Uppsala, Sweden. This reprint is available for free at www.fek.uu.se/mercury. Annual printed subscription rates for non-alumni and non-students at the Department are 399 SEK, Euro 50, \$60, £35. To subscribe please email your order to info@fek.uu.se.

Mercury Magazine is the official magazine of the Department of Business Studies at Uppsala University



UPPSALA
UNIVERSITET

Department of
Business Studies

CONTENTS/ SUMMER/AUTUMN



020



PHOTO BY JIANNAN LIANG



026



042

014 MESSAGE FROM THE HEAD: STEPS FORWARD

Head of Department **Leena Avotie** on recognizing the importance of sustainability, not least in education.

016 SWEDISH SORROWS AND DANISH DELIGHTS

Lars Engwall on the contrasting development of the pharmaceutical industry in Sweden and in Denmark.

018 SUCCESSFUL ENTREPRENEURS ARE SUSTAINABLE

Successful entrepreneurs are characterized by understanding the concept of balance, argues **Ivo Zander**.

020 THE CONCEPT OF COMPLY OR EXPLAIN

Hans Dalborg, Honorary Chairman of Nordea, illuminates a key concept in corporate governance.

023 BOOK REVIEW: 'THE SECOND MACHINE AGE'

A review of the acclaimed new book by **Erik Brynjolfsson** and **Andrew McAfee**.

024 SCIENTIFICATION IN SPORTS

The field of sports is one of many frontiers of ongoing scientification argue **Leon Michael Caesarius** and **Jukka Hohenthal**.

026 NOT BEING LAZY

Lena Zander portrays **Magnús Scheving** [cover] - a social sustainability entrepreneur in the entertainment industry.

034 LEADERSHIP AND SUSTAINABILITY

Carin Eriksson Lindvall identifies four factors that seem to contribute to the creation of intrinsic motivation.

038 SERVICE LOGIC AND PRODUCTIVITY

Bo Edvardsson explains what you need to consider in order to improve service productivity in your organization.

041 PHENOMENA: EMOTIONAL CONTAGION

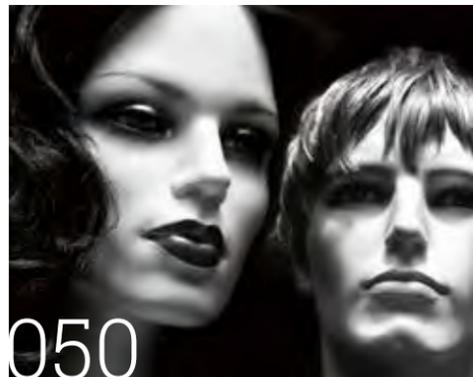
Are users being treated as guinea pigs when Facebook's data science team carries out experiments?

042 CLIMATE CHANGE

Daniel Nyberg and **Christopher Wright** argue that the nature of the corporate world's responses to climate change hitherto can best be described as myths.

050 WHEN SOME CUSTOMERS ARE WORTH MORE THAN OTHERS

Preferential treatment may be unwise, argues **Magnus Söderlund**.



052
MOOCS

Leon Michael Caesarius and Jukka Hohenthal investigate if MOOCs will help redefine the higher education landscape.

060
THE CURSE OF THE COMMUNICATION LITERACY

Josef Pallas is not convinced about the PR-industry's alleged merits. Instead he tries to answer the question: when is it time to fire the PR-consultant?

063
ROCK STAR PROFESSOR

Professor and Managing Director turned rock star – **Henrik Bäckström** is the renaissance man.

064
MONSTROUS LEADERS

Torkild Thanem shows how monstrous leaders constitute a new leadership category and how you can avoid becoming such a leader.

068
CAN WE REALLY AFFORD FINANCIAL CAPITALISM?

Political and economic systems are often deemed as fiascos, but when are we going to make a similar evaluation of financial capitalism, asks **Göran Nilsson**.

074
WHAT YOU BELIEVE IS WHAT YOU SEE

The essence of sensemaking occupies **Henrik Bäckström's** mind.

076
THE FUTURE OF THE MULTINATIONAL CORPORATION

Ivo Zander paints a picture of the future of the well-established multinational corporation.

082
SUSTAINABLE DEVELOPMENT NEEDS STIMULI

Staffan Movin calls for cooperation between society, academia and business.

084
TOTAL VALUE OF OWNERSHIP

When you calculate customer profitability, ask not if your company makes money of customers but if your company helps your customers to make money, says **Torkel Strömsten**.

090
VALUE VS VALUE

Magnus Frostenson focuses on the hard predicament of sustainability.

092
STUDYING CONTROLLERSHIP

Frank G. H. Hartmann draws on experimental studies to increase our understanding of controllers' conflict of interest.

098
WHY PERFORMANCE-BASED PAY ACTUALLY MAY LOWER MOTIVATION

Göran Nilsson explains why financial incentives sometimes fail.



Carin Eriksson Lindvall is Associate Professor of Management at the Department of Business Studies in Uppsala University. She is Mercury's columnist on human resources and leadership issues.

LEADERSHIP AND SUSTAINABILITY

Carin Eriksson Lindvall identifies four factors that seem to contribute to the creation of intrinsic motivation.

Mother Teresa was a very small woman with a strong driving force, and the founder of a comprehensive charity organization. She spent the greater part of her life working for the poor of the Calcutta slums. It is said that Mother Teresa once participated in a big international conference where hundreds of managers from trade and industry had gathered to discuss leadership and development. When it was her turn to speak, Mother Teresa stepped up to the podium, reached for the microphone, and said:

*—Good morning. I only have two questions:
Do you know your co-workers?
Do you like your co-workers?*

Then, according to the story, she fell silent and stepped down from the podium. With these two questions Mother Teresa highlighted something fundamental — the insight that leadership and collegiality are interconnected. Leadership is often defined as a relationship to influence others to follow in a certain direction. According to this definition, in order to be a leader you must know yourself as well as those you are leading, because only then can you create a true relationship.

You need to understand what drives people, their motivations and their basic psychological needs.

What is it that drives people? When we speak of motivation we picture an experience that compels us to do something in a certain way and with a particular intensity and duration. The notion of duration is of particularly great importance for sustainability. To be able to maintain focus and get started, again and again, requires intrinsic motivation.

But classical behaviorism, with its ideas of stimulus and response (remember Pavlov's dogs), has had a lot of influence on how we think about leadership. The carrot and the stick symbolizes our often very simplified perspective on how we can influence the behavior of other people. Research has given us a number of examples as to why extrinsic motivation, with externally provided rewards and punishments, does not always work. Not even on animals.

A well-known example is Harry Harlow's experiment with rhesus monkeys in the mid-1900s. Harlow's learning experiment involved eight rhesus monkeys trying to learn how to solve a mechanical puzzle. This simple puzzle required the monkeys to pull out a vertical pin, lift a hook and open a lid. In order to get the monkeys used to the puzzle before the experiment was



/ Intrinsic motivation is preferable for all complex tasks requiring commitment, endurance, focus and an interest in development. Research has shown that intrinsic motivation contributes to increased well-being, more creativity, greater interest in development and less cheating. /



Find your job as a business economist through the staffing industry as well!

STAFFING is the new route to jobs for business economists

The economy and finance industries are increasingly dependent on external staffing and recruitment services. More than one in every ten business economists has become professionally established in Sweden's labour market with the help of the staffing industry.

5000 business economists placed on assignments annually

5000 business economists recruited for permanent positions annually

www.bemanningsforetagen.se

started, the puzzle was placed in their cage. Something then happened that the behaviorists had not noticed before. Without any influence of training, rewards or punishments, the monkeys started to explore the puzzle. Soon they had solved the puzzle. Just because they themselves wanted to.

The positive feelings connected with solving the task seemed to be reward enough. Harlow called this newly discovered driving force, intrinsic motivation. In a series of experiments, Harlow investigated how rewarding the monkeys with raisins affected their performance. Strangely enough, these experiments showed that the monkeys who received rewards solved fewer tasks, lost interest more quickly and made more errors. They were simply more interested in the raisins and less interested in the task.

Research has consistently shown that focusing on extrinsic motivational factors (carrots and sticks) makes us less focused on development, less focused on the tasks and more likely to manipulate the reward system. Intrinsic motivation is preferable for all complex tasks requiring commitment, endurance, focus and an interest in development. Research has shown that intrinsic motivation contributes to increased well-being, more creativity, greater interest in development and less cheating.

What can we do then, to contribute to the creation of intrinsic motivation? Four factors seem more important than others.

- 1) Provide good answers to the question "why". We search for meaning and an answer to the question "why". Our brains constantly create images which we want to contextualize. We want an answer to the question "why". Nietzsche (1888) expressed it in this way: "If we have our own why in life, we shall get along with almost any how." Why do you go to work? Find your sense of purpose and develop a personal "why". Functioning in a context that is consistent with our values and wishes makes it easier for us to answer the question "why". And thus makes our own working life more sustainable.

- 2) Satisfy the needs for healthy social interactions. Human beings seek togetherness and mutual ties. We need to belong, to have people around us, who care about us and whom we care about. It can even be said that it is life-threatening to not have good relationships. Research has shown again and again that bad relationships lead to energy-draining conflicts and poor health. But what is needed for true attachments? Regular interaction, a feeling of stability and continuity, expressions of mutual support and care, and the absence of chronic conflicts all increase our feelings of belonging. Cultivate your relationships and live a more sustainable life.
- 3) Invest in development and knowledge. We want to be competent. To not be competent is very unpleasant. Just think about the feelings you associate with words like useless, loser, chosen last or incompetent trash. From our very first breath we have the need to actively acquire knowledge and skills. When work and the feedback from our surroundings send positive signals to us, our well-being is increased and our attitude to work is affected. A more sustainable working life is thus achieved.
- 4) Promote autonomy within the role. There is almost nothing that annoys people as much as micro-management. To be under pressure, controlled, governed, shut in. To lack autonomy is to obey only what your surroundings demand. By contrast, being allowed to be oneself and acting in accordance with one's own wishes is what gives one a feeling of being whole. This is what stimulates intrinsic motivation and a sustainable life.

So get to know your co-workers, understand the basic needs of people, and both you and your surroundings will increase the chances of a sustainable working life. Mother Teresa never said this during the leadership conference. But, perhaps this is what she thought. ■