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## Closing the Human Potential Gap

Only a third of workers feel fully engaged in their work. Leaders must rethink how they motivate and reward employees and tap into their passions

By [Alaina Love](#)

The key elements to driving long-term sustainability in today's economy are innovation and productivity, both of which can be generated only through employees who are sufficiently motivated to contribute their best. Yet research by Gallup shows that just 33 percent of employees feel fully engaged in their work.

Since engaged employees are motivated employees, these data reveal that the U.S. economy is, in part, suffering because the bulk of the nation's employees are either not engaged or are actively disengaged. Of these, 25 million workers (18 percent) are actively disengaged, which Gallup estimates cost the U.S. \$416 billion in lost productivity last year alone. The country is capitalizing on the potential of only a third of all U.S. workers. That creates a staggering human potential gap of nearly 70 percent.

Organizational growth and innovation do not progress in a linear fashion but rather develop through a culture of creative chaos, where people, purpose, and passions are the catalysts of breakthrough ideas. The creation and maintenance of such a culture—the sort that will help close the Human Potential Gap—require a new kind of leader.

Such leaders focus on people, not just systems. More importantly, they work to understand both the rational and the emotional sides of their employees, and they nurture culture and purpose as vigorously as they craft strategy. Breakthrough leaders engage in conversation with employees rather than deliver one-way communication, favor relationships over processes, and focus on igniting energy, innovation, and creativity as much as they do harnessing efficiencies, executing business plans, and delivering predictable results. In short, they support those who brave the chaotic, risk-laden, tortuous path to sustainability and success.

### COMBINING THE MATERIAL AND THE EMOTIONAL

Our economy is demanding that leaders develop individualized strategies for motivating and engaging employees—strategies that integrate a balance of traditional market-oriented thinking that focuses on material motivation and reward with an appreciation for the emotional drivers that act as incentives and inspire people. Consider a scenario in a traditional corporate culture in which a new employee is hired. The expectation of leadership (and of the new employees) is that they will be paid a fair market salary for their work. The benchmark for success in this cultural environment is increasing monetary reward.

Conversely, in a culture that promotes greater interplay between market-driven thinking and the emotional drivers of human behavior, the focus of leaders shifts. Here, employee motivation and engagement require more than monetary rewards and perks. Leaders in this environment must develop and demonstrate a deeper appreciation of the purpose and passions that drive each employee, so that work roles can be aligned beyond skill alone. In this hybrid culture, expected rewards and measures of success expand from money to include fulfillment—the kind derived from doing work in which one's passions have license to thrive.

From a leader's perspective, the outcome is well worth the investment they make in employees. Balancing the two approaches allows innovation and creativity to become cultural hallmarks of the organization. Employees in this environment experience profound engagement and deliver a level of discretionary effort—the kind you can't pay for—that turbocharges productivity. To be clear, we are not suggesting that people don't have a baseline expectation for being fairly compensated, but we are proposing that money is just one element in the elegant and dynamic process of motivating employees. And it may not be the most important factor in determining how much time and energy an individual is willing to contribute to the company. Likewise, organizational systems and structure will continue to be important, but leaders must address another critical element if they hope to reduce the Human Potential Gap.

If you're a leader who wants to close the Human Potential Gap in your organization, begin by examining yourself and the environment that you design for your team. Consider these important questions and how you would honestly respond:

- Do you **understand your own purpose and passions** and how they connect to the work of your organization?

If you can't define your own hardwiring, it's unlikely you will be able to help others discover theirs.

- Are you open and willing to **share what you've learned**?

If you are hoarding knowledge through some misguided notion that it imbues you with power, everyone loses, especially the business.

- How frequently do you **acknowledge and reward employee input** to solving strategic challenges? Are you valuing input as much as outcomes?

When you do, it encourages stretch thinking, passion-based idea sharing, and a willingness to take risk, without which innovation is impossible.

- Do you routinely **explore topics outside your own area of expertise**? Do you encourage your team to do the same?

Without this commitment to learning and willingness to explore, your organization will not benefit from the intersectional ideas that can be generated by synthesizing information from a variety of disciplines.

- How well do you **understand your best performers and what drives them**? Are you actively nurturing their growth, so that they remained motivated and engaged?

Stumbling on this front provides your competitors with carte blanche to capitalize on the significant investment you have made in your very best people.

- Have you done everything possible to help the rest of your workforce **connect their daily activities to the larger mission of the organization**? Do they believe their work is relevant and that they matter?

It is essential to take time (and more than just once a year) to reinforce this connection. Imagine the power of increasing the commitment and productivity of the bulk of your workforce, not just today's top performers.

If you are dissatisfied with your responses to these questions, it's time to step up your leadership game, especially in light of the continued volatility in financial systems abroad and a still tenuous domestic recovery. Make no mistake: This is a challenge that extends beyond you, your team, or even your company. We believe the fate of the entire world economy will be affected by the ability of U.S. business leaders to close the Human Potential Gap and leverage the capacity of a fully engaged workforce.

Game on.

*Marc Cugnon, chief executive of Purpose Linked Consulting, contributed to this column.*

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