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# The Game Has Changed: A New Paradigm for Stakeholder Engagement

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## The game has changed.

The traditional business beliefs that brought success in the past will not bring success in the future. Whether you call today's business environment the "new normal," the "not normal," or just plain unsettling, you know the old ways aren't working. People are skeptical about their relationships with business. Whether they are customers, sales partners or employees, all are looking for relationships with organizations they can trust ... organizations that care ... organizations that align with their values. Yet the search is arduous and difficult. Too often, the real story is that businesses view people as a means to their profit end rather than as stakeholders in creating shared value.

So where do we look for answers to this perplexing problem? It takes a fresh perspective about business, about people, and about what really drives a mutually-beneficial relationship. It is commonly agreed that there is massive untapped potential in every stakeholder a business touches. Yet, to unleash this potential, we must be willing to shift our beliefs about how to engage them. We must understand, enable and motivate them **on their terms**. A new framework for stakeholder engagement is needed ... a framework anchored in the latest research relative to human drives and behavior. The goal of this framework is to create better business results that, at the same time, enrich stakeholders in ways that are **most meaningful to them**. It is about building a win-win proposition ... Better Business. Better Lives.

## Characteristics of the New Normal

As Albert Einstein postulated, “Problems that are created by our current level of thinking can’t be solved by that same level of thinking.” A paradigm shift in thinking is required for business to survive and prosper in the “new normal” that is taking shape. As the current models erode beneath our feet, there is much truth in the saying that every living practitioner is a prisoner of the ideas of a dead theorist. For some time, the management philosophy of businesses has been anchored in the economist’s materialistic view of the company merely as an economic entity with a goal of appropriating the greatest possible value from all its constituencies. In this view, management’s core challenge has been to tighten the company’s hold over its stakeholders and to find ways to keep competitors at bay, protecting the firm’s strategic advantage and allowing it to benefit maximally from them. Simply put, the objective of this economic philosophy is to capture, as much as possible, the value embodied in products and services and people (Ghoshal & Bartlett, 1997, p. 275). The problem with this philosophy is that it is based on industrial-era paradigms that simply will not work in the “new normal” business environment that is emerging.

So what, then, are the characteristics of this “new normal”? We do know that there is a lot of buzz lately about a new form of capitalism focused on shared value – where the total pool of economic and social value is expanded (Porter & Kramer, 2011). This new form of capitalism moves away from a zero sum game to one where every stakeholder benefits without trade-off and where there is a higher purpose that serves as a motivational beacon for the leaders and culture (Fox, 2011). More concretely, the new normal calls for a new set of capabilities within organizations including *social networks* as a means of getting work done, *deeply engaging knowledge workers* in meaningful work, and *relating to customers* in ways that are more personal (O’Hara-Devereaux, 2004). The aim in this paper is to lay out a set of premises that can guide business leaders on how to think about stakeholder relationships in the new normal. What principles and passions will need to guide the thinking and design of business practice that unleashes stakeholder potential and creates something we are calling “true engagement”?

For definitional purposes, “true engagement” is a relational process that unfolds in and through meaningful and motivating experiences. It is worth unpacking this a bit. A “relational process” places the emphasis on human interaction rather than simply on economic transaction. Meaningful and motivating is about connecting subjective value with objective value ... connecting human values with economic value.

We hypothesize that there are three core premises that must underpin next-generation business practices focused on “true engagement” of employees, channel partners and customers:

1. Understand what makes people tick
2. One size doesn’t fit all – meaning is personal
3. Genuinely see people as the center of strategy

## Understand what makes people tick

Peter Drucker described business as a social institution and management as a social discipline. All social disciplines are anchored in assumptions about human behavior (Drucker, 1999). The problem is that many of our assumptions are either wrong or out-of-date. So, let’s update our assumptions about human motivation and behavior with some evidence from neuroscience and academia.

### #1. *People are emotional and rational.*

Classical economics is the prevailing paradigm underpinning most business practice. The core of this theory says that people maximize utility through self-interest, often in competition with others. The score of the game is kept based on how much you get, and if that means you get more by extracting more value from stakeholders, then so be it. It presumes that people are completely rational and wired to make rational decisions that are in their best self-interest. This predominant theory of human behavior still permeates the Western business world where we continue to under-appreciate and even dismiss the role of emotion in human interactions and behavior.



To this day, many of our management “best practices” are still anchored in economic self-interest theories along with behavioral psychology. But a whole lot has happened since Skinner declared that behaviors were all that could reliably be studied – that the human mind was a “black box” that could not be understood. Particularly in the last two decades, there have been massive advances in understanding the human brain and how mental processes impact decisions, behavior and social interactions.

The tension between rational and emotional thinking is captured well in an analogy used by University of Virginia psychologist Jonathon Haidt in his book, *The Happiness Hypothesis*. Haidt describes our emotional side as an elephant and our rational side as its rider. Perched atop the emotional elephant, the rational rider holds the reins and seems to be the leader, but the rider’s control is precarious.

... our emotions can easily overpower our rational reasoning ...

Any time the six-ton elephant and the rider disagree about which direction to go, the rider is going to lose – he is completely overmatched (Haidt, 2006). Likewise, our emotions can easily overpower our rational reasoning in any given situation. We see examples of this almost daily as we declare, “What were they thinking?” in reaction to seemingly irrational behavior.

A more scientific understanding of these two systems is offered by Matthew Lieberman, a leading neuroscientist at UCLA, who says we are aware of controlled processes (sometimes referred to as rational processes). They require effort and conscious intent. Typically rational processes are experienced as self-generated thoughts. On the other hand, automatic processes (sometimes referred to as emotional/nonconscious processes) operate outside of our awareness and conscious intention. They require very little effort and are usually experienced as perceptions or feelings (Lieberman, 2003).

But here is where the whole thing gets messy. These systems work in parallel, intermixing emotional and rational functions in various ratios. In fact, at an unconscious level, the emotional system is whirring away, coloring how your organization and programs are viewed, and whether people feel motivated to buy more, sell more, advocate for, work harder, innovate, create, bond with others ... or join the disengaged who simply “bear with” an organization as the other side of a transaction.

So, yes, people are both emotional and rational. And what's more, they do not operate in isolation because ...

## #2. People are both individual and social.

Just as classical economics underpins most business practice, so too does Western-minded individualism. But here is the deal: our brains have evolved over millions of years within the social context of living with other people and depending on them for our survival. As a result, in part of this evolutionary

process, we are “wired” to be social: to seek out, develop and maintain social connections. And we are wired to be social in ways beyond our conscious awareness. Our emotions play a big role in social dynamics! Why? Emotions are contagious and spread through human interaction, affecting whole organizations. Indeed, in a world of connected

individuals, no individual is an emotional island – from person to person and group to group, we tend to express and feel emotions similar to, and influenced by, the emotions of others.



Studies have shown that emotions, attitudes and moods ripple out from individuals and impact others and their social group as a whole (Barsade, 2002). In fact, this phenomenon of “emotional contagion” goes beyond face-to-face interaction. As several studies have shown, emotions, including happiness and loneliness, can be spread through social networks (Fowler & Christakis, 2008; Cacioppo, Fowler & Christakis, 2009). This emotional contagion provides a mechanism for the spread of performance-influencing attitudes and moods throughout every level of an organization or community. The resulting “emotional climate” affects things as tangible as decision-making and financial results as well as broader organizational dynamics like idea-generation, creativity, readiness for and adaptability to change, and the facilitation of learning (Tran, 1998).

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In addition to the aspect of emotional contagion, which has a significant impact on human behavior and motivation, people do not, for the most part, make decisions independently. Rather, they are influenced by the behavior of others (Salganik, Dodds, & Watts, 2006). And to an even greater degree, people are influenced by those they view as credible, reliable, well-intentioned or well-informed, and by people they identify with in some way, including physical appearance and ideological similarities (Wilson & Sherrell, 1993).

People pay enormous attention to what other people think, feel, say and do. There are many influencers that tug and pull on people to drive their behavior and choice-making, which brings us to the third principle ...

## #3. People are driven by multiple motivators.

Paul R. Lawrence and Nitin Nohria, with Harvard Business School, took on the challenge of developing a unified model of human behavior that synthesizes the work of evolutionary biologists, psychologists, anthropologists, economists, and neuroscientists. This work was published in the book, *Driven: How Human Nature Shapes Our Choices*. Their basic premise is that human drives are processed primarily in the limbic region of the brain, which is often called “the seat of emotions.” The limbic center is a cluster of brain modules located in the lower central brain and is a gateway between our senses (sight, hearing, etc.) and our prefrontal cortex, which is the “seat of our rational processes.” (Thinking back to the elephant and rider analogy, the rider's home is the prefrontal cortex.) When neural messages are routed from our senses through the limbic

centers of the brain, they pick up “markers” that indicate whether the “thing being sensed” is registering as beneficial or harmful in terms of basic human purposes or drives. For example, when we sense danger, the “marker” comes in the form of adrenalin helping us to fight or flee. These “markers” or affective signals are an essential part of the reasoning and decision-making processes. Reasoning does not work without affective signals to provide goals, intentions and ultimate motives (Damasio, 1994).

The work of Lawrence and Nohria proposes that human nature is bound by four biological drives:

- The drive to acquire
- The drive to defend
- The drive to bond
- The drive to create

Each of these drives is independent of the others in the sense that fulfilling one drive does not fulfill the others. In addition, the drives are active throughout our lives and can not be entirely or permanently satisfied. While these four drives may not be the only ones, we believe they are central to understanding what makes people tick in terms of human motivation and behavior (Lawrence & Nohria, 2002).

**Drive to Acquire:** People have a drive to acquire, control and retain things and experiences they value. We are collectors. Especially in Western culture, we tend to identify with acquired objects and pleasurable experiences – and feel a sense of ownership of them. Once we get them, we want to keep them. Beyond acquiring physical things, people are driven by status. Much of the research in sociology views status as a means to obtain future resources via a better hierarchical position in society. Additionally, status is more than a means to an end; it is an end in itself. Status is a valuable resource ... an intrinsic goal (Huberman, Loch & Onculer, 2004). Neuroscience, along with behavioral studies and real-world surveys, consistently reveals that people care more about their relative status than they do about money. In fact, increased social status activates the same reward circuitry in the brain as monetary rewards.

**Drive to Defend:** There is an innate human drive to defend what we consider to be “ours” or “mine.” We defend our turf, our stuff, our status, our relationships and our creations – often with great fervor. Once we have something,

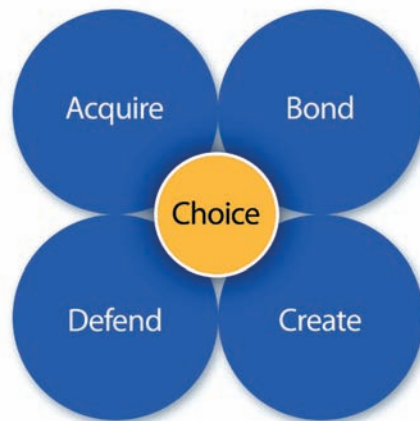
we don’t want to lose it. People who are committed to an organization or a brand will also vigorously defend their association, sometimes to the point of “irrational” thinking – for example, ignoring a new product’s flaws because they have linked their identity to ownership of the brand. The human passion for fairness is related to the drive to defend. Fairness is usually associated with equitable allocation and distribution of goods and outcomes. In general, people are extremely sensitive about whether they are being treated fairly or not. In fact, when rules of engagement and interaction are not perceived to be fair, studies have shown

that people will walk away from absolute monetary gain (Tabibnia, Satpute & Lieberman, 2008).

**Drive to Bond:** Human relationships contain a mix of both competitive (status-oriented) and cooperative (bonding-oriented) elements. The drive to bond is connected to the idea that people innately seek relatedness or a sense of security in relationships with others (Deci & Ryan, 2000). In today’s environment, we can expand this thinking to include culture and community. With social networks coming into prominence, technology

has eliminated some previous obstacles to bonding – like distance and mobility – and enabled individuals to quickly bond together based on shared values, interests, causes and brands. But even as social technology continues to accelerate our ability to create interpersonal relationships, face-to-face interaction remains extremely important to personal and professional relationship-building and is the best environment for capturing attention, inspiring others and building human networks (Duffy & McEuen, 2010).

**Drive to Create:** Humans have an innate drive to satisfy their curiosity, to know, to comprehend, to believe, to appreciate, to understand their environment, to know how things work (Lawrence & Nohria, 2002). People also desire to be part of and contribute to something bigger than themselves in creative ways. This drive manifests in amazing ways. It seems most closely associated with the emotions of wonder, awe, inquisitiveness and curiosity and by the urge to explore, learn and express oneself (Lawrence, 2007). The drive to create can also draw individuals into developing a self-concept or identity, as well as a set of beliefs about the world. This self-concept or worldview operates as the core set of organizing principles for a person’s actions. It is their center of gravity, so to speak.



### The Four-Drive Model

Based on the work of Paul Lawrence & Nitin Nohria at Harvard Business School.

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**Choice:** The four drives are underpinned by emotions that tug and pull on our choices. It is in the balancing and integrating of these emotional drives by our more rational reasoning that decisions are actually made that lead us toward engaging with companies and people to achieve purposes and goals that are important to us.

Outdated beliefs about human action and interaction hold us in a transactional model of engagement.

While a lot of businesses talk about wanting better, more engaged, more loyal relationships with key stakeholders, it is their underlying assumptions about people that hold them back from creating “true engagement.” Outdated beliefs about human action and interaction hold us in a transactional model of engagement. And a transactional model of engagement is like cutting the human in half by appealing

only to their drives to acquire and defend and then wondering why they don’t love you and offer all of their creative energies to making you successful. **True engagement requires a four-drive approach** where the drives to bond and create are as carefully considered as the drives to acquire and defend.

For example, many organizations reduce their reward and recognition philosophy and processes to a transactional model focused on “employee does something well, therefore employer rewards performance.” This may happen by putting the person’s name in lights (status) and giving a tangible award. The employer is counting on the person striving to defend their high-ranking status year after year. And so it goes. While this makes sense, it is only half the equation as it focuses only on the drives to acquire and defend. What about considering the drives to bond and create as well? An effective reward and recognition strategy can also be a vehicle for creating

bonds between people and activating the drive to create and contribute to a better company. The very act of authentically praising and recognizing someone facilitates human bonding and trust. People need to be educated on how to give and receive recognition because each act of recognition helps to build a culture of recognition and encouragement. The positive emotional contagion resulting from this type of culture has a huge impact on people and helps them become more creative, collaborative and innovative. The people principles, including the four-drive model, provide a way to challenge our assumptions about people and serve as a basis for designing more effective engagement practices.

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## One size doesn’t fit all – meaning is personal

The people principles outlined above apply to all people, yet we know that all people are not alike. True engagement also requires relating to your employees, partners and customers in ways that are meaningful and motivating to them. What is the best way to do this given that many organizations have thousands, if not hundreds of thousands, of people in their web of stakeholder relationships? We propose that understanding the predominant value systems of your organization and various stakeholder groups is key to creating meaningful and motivating experiences. And meaningful and motivating experiences are a central tenet of true engagement.

Building on our knowledge of what makes people tick, we know that *meaning is personal*. What is meaningful and motivating to one person may not be to another. Our brains have powerful filtering systems in place that happen, most often, outside our conscious awareness. We are constantly taking in information about external events happening around us. That information is observed and registered through our senses, which serve as our primary information-gathering system. However, the amount of incoming information far outweighs our brain’s processing capability, so the brain filters the incoming information, narrowing down where we direct our limited attention. The brain is highly efficient and conserves energy whenever possible. In essence, it is a bargain shopper, preferring the most interesting stimuli that require the least effort to interpret and process. Interest depends upon whether or not the stimuli appear to the individual to be relevant to helping meet one’s goals. Effort depends upon how difficult it is for the brain to interpret the meaning of an experience relative to existing information, attitudes, memories, cultural norms, values, skills and capabilities (Walsh, 2000; Cunningham, Zelazo, Packer, & Van Bavel, 2007).



Interestingly, where we focus attention along with subsequent actions actually shapes the physical structures of our brain. The brain has an enormous capacity to change, constantly creating new neural pathways and rearranging existing ones – a concept known as neuroplasticity. To the extent that particular experiences and situations are reinforced through repeated action, focused attention and emotional intensity, the connections in the physical struc-

ture of the brain are also reinforced ... which then impacts future interpretation of experience and action.

If human meaning-making appears to be a bit complicated, it's because it is! So, let's create the bridge between meaning-making in the brain and how companies can create more meaningful and motivating stakeholder engagement.

We see the bridge as values. There are many theories, definitions and classifications of values. For the purposes of exploring successful stakeholder engagement, we will focus on the premise that people operate in value systems, and each value system has a singular motivational goal that is central to what they view as important. Moreover, values are inextricably bound to powerful emotions. Therefore, to a great extent, a person's value system governs their meaning-making and emotional engagement. For example, a person whose value system is oriented toward a central motivational goal of achievement and personal success is quite different from a person oriented around defending tradition and existing norms.

Not surprisingly, based on what we know about neuroplasticity, values are very real and are reflected in the neural mechanisms of the brain. It is these neural mechanisms that underlie differences in individual value hierarchies

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along with corresponding differences in individual decision and behaviors (Brosch, Coppin, Scherer, Schwartz, & Sander, 2010). In other words, if you think values are soft stuff, think again. Values manifest as physical brain structures.

To engage stakeholders in a manner that is meaningful and motivating requires an understanding of what THEY value and view as important. In practice, this requires a very different paradigm relative to the design of business practices that

effectively engage people. Too often, business leaders think first about what the company wants and needs in order to generate profit. The problem with this approach is that it fails to place equal attention on the wants and needs of the stakeholders.

In order to create "true engagement," *we must begin with an understanding of what is meaningful and motivating to stakeholders.* For example, if you know that the majority of your employees are motivated by a value system of stimulation and challenge in life, you can stretch your thinking relative to elements of an employee engagement strategy. The strategy could include regular large-group meetings

where novelty, new thinking and creative expression are embedded into the meeting design. A regular rhythm of high-impact meetings can be a powerful component of an employee engagement strategy. People in this value system are motivated by working on challenging projects with people who press the envelope. They are interested in being rewarded in non-traditional ways as well. While someone oriented toward tradition may love spending time with management at a nice recognition dinner, the challenge-seeker would rather be hiking in Alaska with her buddies or provided with an opportunity to enroll in an intellectually stimulating fellows program to advance her skills.

Focusing on what is meaningful and motivating to your stakeholder is at the center of a "true engagement" paradigm, which brings us to our final, and likely most important, premise.

## Genuinely see people as the center of strategy

There are many pressures in the business environment to simply see people as a means to an end rather than as valued partners in achieving mutually-beneficial goals. It takes more than a set of principles to create "true engagement." It takes a passion for people.

When I first joined **Maritz** over 23 years ago, there was a single thing that most stood out to me about the culture. Maritz saw people as people. This may seem like a small thing, but it actually is and was a very big thing. **Bill Maritz** insisted on calling the employees of Maritz, "Maritz people." I never had a chance to ask him why, but I suspect it was because he wanted to keep the focus on seeing people as special and worthy and important. We were more than employees, we were people first. This core philosophy extended to our client relationships as well. I noticed an authentic and genuine desire to serve clients because we cared about them as people. They, too, were first and foremost, people. We wanted to see our clients shine in their roles and to see people throughout entire organizations shine as well. A friend and colleague of mine recently summed up what we were and are about, "We are people junkies." We get a kick out of people rising to their full potential and doing what may seem impossible. Sure, we



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are digging into the sciences so that our programs more effectively engage the key stakeholders of our client's business, but it isn't the science in and of itself that motivates us. It is people and the impact that better business practices can have on them. We affectionately call this ... Better Business. Better Lives.

I have had the privilege to get to know another great people leader over the past year. His name is **Bob Chapman**. He is the CEO of **Barry-Wehmiller Group**, a St. Louis-based global capital goods company. Bob Chapman has a vision for the awesome responsibility of 'leadership' that is extraordinary: "We measure success by

the way we touch the lives of people – our stakeholders including investors, employees, customers, suppliers, and bankers." This is the golden rule of Barry-Wehmiller.

Barry-Wehmiller has developed proprietary teaching content for leadership development and myriad unique reward and recognition programs that are in harmony with this vision. But, many companies do this. What stands out about Barry-Wehmiller is their people-centric approach to everything they do. People and performance are at the center of

their business mission and strategy. Creating an environment based on trust, celebration, inspiration, personal growth and treating people superbly is the central challenge for leadership. These unique leadership and motivation programs reflect the 'belief' that business has the power to make the most significant impact on our society if we are able to send people home each night with a sense of fulfillment.

The two types of programs deployed by Barry-Wehmiller are interdependent. Whereas leadership development programs inspire and equip leaders to model the people-centric philosophy, the reward and recognition programs provide the structure for celebrating people in ways that are life-enriching and infused with inspirational energy. For example, leaders go out of their way to build recognition celebrations around something they know will be particularly meaningful to the person being recognized. An entire class in the Barry-Wehmiller leadership development curriculum focuses on equipping leaders to effectively recognize and celebrate people in ways that are personally meaningful and motivating. Recognition celebrations are a key cultural symbol of a people-centric philosophy. And, the celebrations live on way beyond the event through the stories that are shared personally and in formal

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company communications. Just as important, the ripple effect of positive emotions is a secret ingredient that shapes the Barry-Wehmiller culture. The progression makes sense. A people-first philosophy is enabled by programs that are personalized to the individual, which results in an energized culture that enriches the lives of company stakeholders, who, in turn, continue to build on Barry-Wehmiller's 20-year track record of impressive growth and profitability.

**Charles Gremillion**, with **Embassy Suites**, is another people-first business leader that Maritz has the privilege to work with. As director of brand culture and internal communications, Gremillion, along with the leadership team at Embassy Suites, has crafted a vision for the organization that includes building a company culture squarely focused on the goal of positively influencing the lives of guests, team members and community stakeholders. It is this core multi-stakeholder aspiration that fuels the "Make a Difference" corporate umbrella initiative that defines the culture at Embassy Suites and weaves the philosophy behind the statement into all aspects of the company's business plan. At its core, the various programs within this umbrella initiative help the organization prioritize its efforts and live into its service statement: "*Gracious, engaging and caring ... making a difference in the lives of others – in ways both big and small.*"

An integrated set of leadership and reward and recognition programs work together to continually infuse the service statement and values into the everyday experience of employees. For new Embassy Suites team members, a welcome to the culture begins at orientation with a review of "The Deal" – a booklet of brand values that outlines the goals, expectations and behaviors that comprise the "social norms" of the Embassy Suites culture – and provides the employee with a positive pathway to achieving personal potential. For community service-minded employees, an "I Can Make a Difference" grant has just been put in place contributing \$5,000 to a local community project. Employees from across the brand select the most deserving project in which an individual team member or hotel is involved and committed. For the highest performing general managers, there is an opportunity to participate in the Circle of Leadership, which is a year-long commitment of advanced leadership training that culminates in them becoming mentors for other GMs and also integral advisors to the brand's informal advisory panel.

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While some programs are focused on specific roles and interests, others are broad-reaching in terms of participation. Gremillion and his team ensure that desired values and behaviors are consistently reinforced through an ongoing team member recognition program. The “Make the Difference ... for YOU” program provides hotel managers with valuable tools for acknowledging team member behaviors as they work toward delivering a brand experience that reflects Embassy Suites’ values. Besides being formally recognized and receiving a certificate, team members earn from a selection of non-monetary rewards that serve as tangible reminders of their accomplishments and positive company affiliation. Hotel managers also participate and have the opportunity to be recognized by their general manager.

Often the most exciting recognition activities are those where a cultural symbol is established and is imbued with tremendous meaning and significance. This is what has happened at Embassy Suites with “The Make a Difference Medallion.” It is a three-inch coin that is passed from team member to team member in every hotel in recognition of having done something that made a difference. The medallion belongs to everyone, not any one single person, so the idea is to keep sharing it. Most often this is done through a shout-out in a departmental stand-up meeting. Sometimes, it’s in a more formal quarterly all-employee meeting – but always shared in a team setting where the presenter tells the story of why/when/what and how. The experience of expressing authentic gratitude to a co-worker is often just as emotional for the giver of the recognition as it is for the receiver. And, the emotional ripple effect of this interaction can live on way beyond what one could think a three-inch coin could accomplish. Of course, it is the act of authentic praise and recognition along with the symbolic meaning that has been bestowed on the coin that creates a cultural impact of significance.

Despite a difficult economic environment, Embassy Suites remains committed to recognition as a cornerstone to culture-building and engagement. By carefully aligning customer experience, corporate culture and future vision for the organization, Gremillion and his team have seen the business benefits of investing in people first through increased customer loyalty, higher overall service ratings and increased room nights coupled with the cultural benefits of a fully-engaged workforce.



In these stories, we can see that people-first is only part of the story. The rest of the story is an unwavering belief in the potential of people to achieve great things in service to customers and society at large. This sounds a lot like what Abraham Maslow was striving to achieve as he worked with organizations in the mid-20th century.

### *Maslow had a big vision.*

He saw organizations, when designed right, were vehicles for human potential to be actualized. Much of Maslow’s

work was based on the hierarchy of needs that he developed to explain the different and progressive needs that an individual might be trying to satisfy at any given time in his or her life. The needs are arranged in a hierarchy of “prepotency” or predominance. In other words, the most “prepotent” or dominant need will tend to monopolize the individual’s

consciousness, organizing and directing the various capacities of the person to satisfy that need. Of course the peak of the Maslow pyramid was a self-actualizing or fulfilled individual. Maslow wrote extensively about how to create self-actualizing work and enlightened management policies. In other words, Maslow’s work provides many ideas for creating self-actualizing companies where people can make extraordinary contributions. And the key to this kind of company is enabling individuals to identify with important causes, or important jobs where their potential is realized as they are in service to something larger than themselves (Maslow, 2000).

The heart of the “true engagement” challenge is to first have an organization that puts people first ... then the business practices and programs naturally unfold from there. And putting people first makes good business sense as well. In a recent Maritz Poll, Rick Garlick, Ph.D., discovered that the type of company that performs best is a “people and customers first” company. Garlick’s research segmented organizations into seven different value types that ranged from “people and customers first” to “win at any cost” types of companies. On almost every measure, “people and customers first” companies were more successful in attracting talent, retaining employees, customer service excellence and employee willingness to invest their own money into the business (Garlick, 2008).

The heart of the “true engagement” challenge is to first have an organization that puts people first ...

## Summary

The game has changed. The belief systems that brought success in the past will not bring success in the future. It is interesting that Maslow foresaw a time when the primary source of competitive advantage in almost every industry, organization and institution would be the actualization of human potential. Maslow foresaw the crossroads at which we now find ourselves; where, just to keep pace, we will need committed, educated and highly motivated people at all organizational levels; a crossroads where the needs of society and the needs of business are so intertwined that if one is dysfunctional, the other suffers the consequence.

We need a fresh perspective about business and people. There is massive untapped potential in every stakeholder that a business touches. Consider what could happen if business leaders shifted their paradigm to think of their businesses as vehicles for unleashing the potential of people – whether these people are their employees, channel partners or customers.

We've articulated a set of principles to guide the thinking and design of business practice that unleashes stakeholder potential creating something we call "true engagement."

We hypothesize that three core premises must underpin next-generation business practices focused on "true engagement" of the key stakeholders of business – employees, channel partners and customers:

1. Understand what makes people tick
2. One size doesn't fit all – meaning is personal
3. Genuinely see people as the center of strategy

These premises call for a new framework for stakeholder engagement, a framework anchored in the latest research relative to human motivation and behavior. The goal of this framework is to create better business results that at the same time enrich stakeholder lives in a manner important to them. It is a win-win proposition – Better Business. Better Lives.



### About The Maritz Institute

The Maritz Institute is a network of thought leaders advancing human science in business. Through a deeper understanding of people, Maritz solutions deliver better business and better lives. For more information, visit [www.maritz.com/institute](http://www.maritz.com/institute) or e-mail your inquiry to: [themaritzinstitute@maritz.com](mailto:themaritzinstitute@maritz.com)

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