The Game Has Changed: A New Paradigm for Stakeholder Engagement

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Abstract
For business operators, the game has changed in terms of relationships with significant stakeholders—including employees, customers, and suppliers. 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 have probably noticed that the old ways aren't working. People are skeptical about their relationships with business, and a new approach is needed. As Albert Einstein postulated, "Problems that are created by our current level of thinking can't be solved by that same level of thinking." In this paper, I explain the paradigm shift in thinking that is required for business to survive and prosper in the "new normal" that is taking shape.

Keywords
Cornell, business meetings, switch-taking, emotional climate, human networks, Maritz

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by Mary Beth McEuen, The Maritz Institute
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A New Paradigm for Stakeholder Engagement

by Mary Beth McEuen

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Mary Beth McEuen is vice president and executive director for The Maritz Institute. The Maritz Institute is focused on underpinning the Maritz people philosophy with the most current discoveries from the human sciences and neuroscience. The role of The Maritz Institute is to help create better business and better lives through deep insights into human behavior applied to solutions that help companies achieve their strategic business goals. During Mary Beth’s 20+ year career at Maritz, she has held senior leadership roles in marketing, strategy, and organizational development and led the launch of Brand Alignment, a new business venture. Mary Beth holds a Master’s degree in Organizational Leadership and is active in professional futures organizations (MaryBeth.McEuen@maritz.com; for more information, visit www.maritz.com/institute). With Christine Duffy, she is the author of an earlier Cornell Hospitality Industry Perspectives paper, “The Future of Meetings: The Case for Face-to-Face.”
EXECUTIVE SUMMARY

In the “new normal” environment, businesses must do more than merely offer a good product or service to create value. For hospitality businesses in particular, whether people are customers, sales partners, or employees, all are looking for relationships with organizations they can trust… organizations that care… organizations that align with their own values. Instead of viewing people as a means to profit, contemporary businesses must see their customers and clients as stakeholders in creating shared value. This report presents the following three-point framework for this new business paradigm: (1) Explore deep insights into human motivation and behavior; (2) Recognize that one size doesn’t fit all—meaning is personal; and (3) Genuinely see people as the center of strategy. This approach requires a fresh perspective about business, about people, and about what really drives a mutually beneficial relationship. To unlock the massive untapped potential in every stakeholder, a business must be willing to shift its beliefs about how to engage those stakeholders. Business leaders must have an understanding of human biology and psychology, along with a willingness to create mutually beneficial propositions. Some firms already understand the need for this new framework for stakeholder engagement… 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 simultaneously enrich stakeholders in ways that are most meaningful to them. As examples of new approaches to customers, sales partners, and employees, this report cites the specific approaches taken by three firms: Maritz, Barry-Wehmiller Group, and Embassy Suites.
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For business operators, the game has changed in terms of relationships with significant stakeholders—including employees, customers, and suppliers. 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 have probably noticed that the old ways aren’t working. People are skeptical about their relationships with business, and a new approach is needed. As Albert Einstein postulated, “Problems that are created by our current level of thinking can’t be solved by that same level of thinking.” In this paper, I explain the paradigm shift in thinking that is required for business to survive and prosper in the “new normal” that is taking shape.
For some time, the management philosophy of businesses has been anchored in the classical economics view of the company merely as an economic entity that has 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, find ways to keep competitors at bay, protect the firm’s strategic advantage, and allow it to benefit maximally from those stakeholders. Simply put, the objective of this economic philosophy is to capture, as much as possible, the value embodied in goods and services and people.1 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.

Characteristics of the New Normal

Let’s look at the characteristics of this “new normal.” Perhaps you’ve heard the buzz lately about a new form of capitalism focused on shared value—where the total pool of economic and social value is expanded.2 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.3 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.4 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. I outline the principles and passions needed to guide the thinking and design of business practice that unleashes stakeholder potential and creates what I call “true engagement.”

“True engagement” is a relational process that unfolds in and through meaningful and motivating experiences. This “relational process” places the emphasis on human interaction rather than simply on economic transaction. Meaningful and motivating experiences are those that connect subjective value with objective value—in this case, connecting human values with economic value.

I have formulated the following three core premises that underpin next-generation business practices which are focused on true engagement of employees, channel partners, and customers:

1. **Explore deep insights into human motivation and behavior;**
2. **Recognize that one size doesn’t fit all—meaning is personal; and**
3. **Genuinely see people as the center of strategy.**

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3. Genuinely see people as the center of strategy.

Explore Deep Insights into Human Motivation and Behavior

Peter Drucker described business as a social institution and management as a social discipline. All social disciplines are anchored in assumptions about human behavior. 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 academe.

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

Whereas we used to think that reason was dominant over emotion, we now know that reason and emotions are interconnected. However, classical economics, which remains the prevailing paradigm underpinning most business practices, does not recognize this connection. Instead, the core of economic 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. Classical economics further presumes that people are completely rational and are 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 that have been combined with behavioral psychology. In an earlier era, B.F. Skinner proposed that understanding human psychology was mostly a matter of observing behavior. If one could predict or manage behavior, Skinner argued, then studying internal processes was not necessary. But considerable research has occurred since Skinner declared that behaviors were all that could reliably be studied and 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 influence 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

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the leader, but the rider's control is precarious. 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. 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). These 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 or nonconscious processes) operate outside of our awareness and conscious intention. They require little effort and are usually experienced as perceptions or feelings.\(^8\)

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 stakeholders who simply “bear with” the organization as the other side of a transaction.

So, yes, people are both emotional and rational. Beyond that, they do not operate in isolation because…

#2. People are both individual and social.

Whereas we used to focus primarily on the individual, we now know the extent to which people are social animals. Just as classical economics underpins most business practice, so too does Western-minded individualism. But this individualism is forged in myth, because 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 of this evolutionary process, we are “wired” to be social and to seek out, develop, and maintain social connections. We can maintain the myth of individualism in part because we are wired to be social in ways beyond our conscious awareness. Our emotions play a big role in social dynamics, because 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.

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 influence others and
their social group as a whole. 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. 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.

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. 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.

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.

Whereas we used to think people were driven to maximize self-interest, we now know people are motivated in more ways than one. 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 (including sight and hearing) 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 adrenaline 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.

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, and
- 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 cannot 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.

*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. 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.

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16 Lawrence and Nohria, op.cit.
Status is a valuable resource … an intrinsic goal. 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 do.

Drive to defend. There is an innate human drive to defend what we consider to be ours. 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. 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.

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. In today’s environment, we can expand this thinking to include culture and community. With the prominence of social networks, technology has eliminated some previous obstacles to bonding—like distance and mobility—and enabled individuals to quickly connect 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.

Drive to create. Humans have an innate drive to satisfy their curiosity, to know, to comprehend, to believe, to ap-

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• The drive to acquire,
• The drive to defend,
• The drive to bond, and
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20 C. Duffy and M.B. McEuen, “The Future of Meetings: The Case for Face-to-Face,” Cornell Hospitality Industry Perspectives, No. 6 (2010); Cornell University Center for Hospitality Research.
preciate, to understand their environment, and to know how things work.\textsuperscript{21} 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.\textsuperscript{22} 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.

**Choice.** The four drives are underpinned by emotions. Emotions are not just rogue forces that are separate from, or even opposed to, reason. Emotions are much more useful than that. Think of emotions as the way the four drives do their lobbying with reason. Reason’s job involves balancing and resolving tensions between these emotional drives in an effort to make the best possible choice or decision that satisfies all four drives.\textsuperscript{23}

While a lot of businesses talk about wanting better, more engaged, and more loyal relationships with key stakeholders, their underlying assumptions about people hold them back from creating true engagement. Outdated beliefs about human action and interaction restrict thinking to a transactional model of engagement, which 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 an approach that appeals to all four drives, where the drives to bond and create are as carefully considered as the drives to acquire and defend.

For example, many organizations reduce their employee 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. While this makes sense, it is only half of 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 act of authentically praising and recognizing someone facilitates human bonding and trust.\textsuperscript{24} 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. These 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.

**Recognize that One Size Doesn’t Fit All—Meaning Is Personal**

The people principles outlined above apply to all people, and 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 each audience. This seems like a tall order, given that many organizations have thousands, if not hundreds of thousands, of people in their web of stakeholder relationships. I propose that understanding the predominant value systems of your organization and various stakeholder groups is key to creating meaningful and motivating experiences. These meaningful and motivating experiences are a central tenet of true engagement.

Because meaning is personal, what is meaningful and motivating to one person may not be so to another. Our brains have powerful filtering systems that mostly function outside our conscious awareness. We are constantly taking in information about events happening around us. That information is observed and registered, but the amount of incoming information far outweighs our brain’s processing capability. As a result, the brain filters the incoming information, narrowing down where we direct our attention. At the same time, 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 on whether the stimuli appear to be relevant to helping meet one’s goals. Effort depends on 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.\textsuperscript{25}

\textsuperscript{21} Lawrence and Nohria, op.cit.


\textsuperscript{23} P.R. Lawrence, *Driven to Lead: Good, Bad, and Misguided Leadership* (San Francisco: Jossey-Bass, 2010).


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 structure of the brain are also reinforced—which then influences future interpretation of experience and action.

The bridge. If human meaning-making appears to be complicated, that’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.

This bridge is values. Although there are many theories, definitions, and classifications of values, for the purposes of exploring successful stakeholder engagement, I focus on the premise that people operate in value systems, and each value system has a singular motivational goal that is central to what each person views 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 real and are reflected in the neural mechanisms of the brain. It is these neural mechanisms that underlie differences in individual value hierarchies along with corresponding differences in individual decision and behaviors.26 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 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 to generate profit. The problem with this approach is that it fails to place equal attention on the wants and needs of the stakeholders.

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 rela-

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tive 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 such a 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. The following three examples demonstrate this principle.

**Maritz.** 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 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 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.

**Barry-Wehmiller.** I have had the privilege of getting to know another great people leader over the past year. His name is Bob Chapman, 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 distinctive 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 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. Additionally, the celebrations live on way beyond the event through the stories that are shared personally and in formal 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.

**Embassy Suites.** 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 works 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 constitute 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 their becoming mentors for other GMs and also integral advisors to the brand’s informal advisory panel.

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 members as they work toward delivering a brand experience that reflects the 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 has happened at Embassy Suites with “The Make a Difference Medallion.” This three-inch coin 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, and 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. 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.

The heart of the “true engagement” challenge is first to have an organization that sees people as people. Those organizations strive to enrich the lives of people as the top priority, with a belief that business success naturally unfolds from there. In a national study of full-time working Americans, Maritz researcher Rick Garlick discovered that the type of company that performs best on virtually every measureable business outcome is a “people and customer first” company. Based on a Q-sort of company values, seven different prototypical company segments were generated, ranging from companies that placed profitability above all else to those that held strong humanistic values. Companies that placed a priority on how they treated employees and customers were significantly more attractive to potential employees, better at retaining talent, superior on customer service, and financially more successful than those that focused strictly on generating revenue and profit.


Summary
The game has changed. The belief systems that brought success in the past will not bring success in the future. 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.

In this paper, I’ve articulated a set of principles to guide the thinking and design of business practice that unleashes stakeholder potential with a goal of creating “true engagement.”

To review, I conclude 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) Explore deep insights into human motivation and behavior;
(2) Recognize that one size doesn’t fit all—meaning is personal; and
(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. ■
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