



LEADING IN THE NEW AGE OF PUTTING PEOPLE FIRST

A white paper from the Forum conducted at the Medill School at Northwestern University

FORUM
For People Performance
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As the business community begins to emerge from one of the most severe global recessions in decades, decision-makers are finding themselves confronted by never-before-seen issues. In a recent survey of more than 400 senior global executives, the clear message that emerged is that, while businesses see people as their greatest asset in coping with a post-recession economy, they need to create new ways to build talent from within and re-engage employees stressed by the realities of a demanding and re-aligned work environment. (Matthew Parker, "Economic Upswing Colliding With Urgent New Push for Talent," *Workforce Management*, April, 2010, downloaded 7/20/2010.)

The reality of the last several years is that many companies spent most of their time focused on employee losses and bottom line survival, often leading to workforce reductions. Now, they find themselves reeling from an erosion of employee trust, a dismantling of talent development strategies, managing an age-diverse workforce and facing threats of employees positioned to leave at the first opportunity. All these conditions are conspiring to demand an innovative, more individualized approach to employee engagement and a game changing approach in business leadership.

Against this backdrop, the Forum for People Performance Management and Measurement recently conducted a study about "Leadership and the Performance of People in Organizations: Enriching Employees and Connecting People" (Won-joo Yun and Fran Mulhern, Nov. 2009). This noteworthy study reviews some traditional ideas and goes on to reframe the concept of business leadership from a new people-first perspective. The central focus of the study revolves around a new concept called "employee enrichment." The study then goes on to outline how the more traditional aspects of leadership about vision and alignment are impacted by the new people-first approach.

In a post-recession economy, leaders are looking for new ways to lead as they center business strategies on their greatest asset: people. This paper discusses how leaders can modify their approaches and implement a new people-centered engagement concept called "Employee Enrichment."

Based on the idea that people are the lifeblood of an organization, leaders in an employee enrichment culture are genuinely concerned about the quality of their employees' lives. These leaders understand they need to encourage not only professional, but also personal growth, believing that the better people become in all aspects of their lives, the better they will be able to contribute to the success of their organizations. The ultimate goal is to inspire workers to move beyond the mindset of "having a job" to "having a career and, ultimately, to "having a calling."

Blending traditional aspects of leadership with the concept of employee enrichment, this paper presents a conceptual framework for leadership styles that demonstrate authentic concern for enhancing people's lives. By putting people first, leaders can begin the evolution of a new work environment that better meets the needs of today's demographically diverse and socially connected workforce.

What is Employee Enrichment?

Employee enrichment is a people-centric methodology in which leaders are called upon to energize their organizations by genuinely attempting to "enrich" the lives of their employees. The concept goes beyond the basic assumptions of establishing a satisfactory

workplace environment, salary and benefits and zeros in on the inherent importance of quality of life issues both at work and beyond. While the implicit expectation is that employees with enriched lives will perform better, the paradigm shift is that the leader's priority should be on the people themselves and their self-development — which increases their ability to contribute — as well as their interpersonal relationships.

The whole idea of employee enrichment is closely tied to the concept of “human value connectivity” which recognizes workplaces as one of the most — if not “the” most — important communities in people's lives. In this context, employee enrichment extends beyond the usual concept of work/life balance to encompass genuine concern about helping employees to truly have better lives.

The Concept of Leadership

Every business organization needs leaders who set goals that guide their companies and their employees into the future. Leaders are needed to champion implementation, coordinate multiple efforts, motivate employees, monitor performance and modify direction as needed to achieve goals. They are the ones who must find the new paths that will help the organization succeed. Leaders are the ones who draw the big picture while managers figure out how to color in the details.

In a traditional approach to leadership, organizations develop practices and processes aimed at ultimately achieving goals. This can be seen by examining the importance that most companies place on ROI. The financial gain of a given practice or process is always measured against its cost in order to determine the degree of success. At the same time, each practice or process also influences performance — in a given area — but ROI does not measure how the practice influences workplace culture or the well-being of the individuals involved. Because leaders know that the degree of employee engagement can influence the outcomes, the issue of how to engage employees has gained importance largely as a factor that influences ROI and not as a way to address the human elements of the workplace.

Business leaders have a lot of constituencies to worry about: employees, shareholders, business partners and various communities of interested parties. During the past few decades, many business leaders have been disproportionately pre-occupied with shareholder value and their own stock option compensation. This pre-occupation with bottom line results has often undermined the call of true leadership to demonstrate balanced responsibility for all organizational coalitions. The way to achieve that balance is by emphasizing the well-being of the individuals within each constituency. Organizations that can meet needs across their entire constituency, or a set of inter-related constituencies, instead of giving preference to

a single group, can create a long-term foundation for greater profitability. And so begins the case for a new type of leadership that can more adequately address the characteristics of a newly emerging, fragile economy.

What is Enrichment Leadership?

Enrichment leadership is built on the centrality of people to an organization's performance. The idea of “enrichment leadership” is based on the premise that people are the lifeblood of any organization. Almost everything that happens within an organization happens because of its people. That's why responsibility for the well-being of people is at the heart of enrichment leadership. In practice, enrichment leadership shifts the emphasis from what is critically important to a company's success to what is intrinsically good for an employee and how employee interests are connected to organizational objectives.

A people-first approach to leadership prioritizes such things as the meaning of work and expands the concept of growth to include not just an employee's professional growth, but also his/her personal growth. In a culture of employee enrichment, leaders encourage individual employee growth not only in ways that are consistent with organizational performance but, more importantly, they support those things that genuinely enhance the quality of employees' lives. Enrichment leadership helps employees move from the mindset of “having a job,” to the broader attitude of “having a career,” and, ultimately, to the self-satisfying perspective of “having a calling.”

Enrichment leadership builds on the inherent links between various groups of employees and organizations, and employees and customers. Called the “human value connection,” this approach leverages the connectivity between the various constituencies to actually improve the flow of communication and interactivity from person to person. The difference between this “flow of performance” and standard organizational processes is that it emphasizes the personal relationships and harvests the natural connectivity that occurs within and across an organization.

Components of Enrichment Leadership

In blending the traditional aspects of leadership with the concept of employee enrichment, the Forum study's authors set four key leadership perspectives to construct a conceptual framework for enrichment leadership:

1. **Vision Development** – which requires business leaders to incorporate the well-being of people into the organization's vision, allowing the personal and social values of company workers to combine with the organization's sense of social responsibility.
2. **People Alignment** – which expects that individuals who

are integrated into a cohesive whole can share the same vision as the result of ongoing, credible communication and empowerment.

3. *People Enrichment* – which believes that the value exchange between employer and employee can be expanded to include both work and non-work components that encompass all aspects of the relationships between people and organizations.

4. *Performance Assessment* – which includes both performance measures for each of an organization's stakeholders and assesses the degree of satisfaction and enrichment for its people.

What's Different in the Enriched Workplace?

In organizations that embody the concept of employee enrichment, leaders are naturally focused on the well-being of their people—both employees and other constituencies. That kind of focus can result in a number of differences in the workplace including the following:

Employee Segmentation – People-centered leadership focuses on individual employees by offering a range of customized benefit offerings designed to address the personal concerns of employees.

Empowerment – As instantaneous access to information through technology permeates all levels of an organization, empowerment becomes a necessary part of today's work environment.

Organization and Society – Because an individual's well-being is rooted not only in the work environment, but also within his/her community, companies need to connect to workers' communities and society as a whole to make

their activities relevant in the real world.

Human Resources Services – People-oriented leaders will see the need to create real “employee service” departments that go beyond the traditional compliance view of HR to help enrich people's lives.

Organize for People – Instead of the traditional arrangement of companies by function, people-centered organizations will look for new, alternative schemes that are based on people.

Well-Being Measurement – People-oriented leaders should seek out ways to measure what the company actually does for its employees in addition to the standard measurement of employee performance.

Where Do We Go From Here?

The fragile post-recession economy is fraught with upheaval, uncertainty and worker anxiety. Businesses and people are forever changed. As economic realities have compressed companies and even entire industries through a sieve of survival troughs, technology was rapidly pulling people into new communities that elevated their individuality and elevated their need to bond with each other in the midst of increasing economic anxiety. This conspiracy of circumstances coupled with demographic trends and a changing global marketplace, makes this the perfect time to try new methods for improving the work environment, keeping employees engaged and generating better business results. Implementing the concept of enrichment leadership might just be a good place to begin.

While the authors of the study acknowledge that further research is needed to fully explore the exact details of how a people-centered approach to leadership should be



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implemented, they feel that an emphasis on employee insight, empowerment, human connectivity, people-based organizational structures and measurement of employee well-being can help to begin the process.

Clearly, the first step is for an organization to fully embrace the concept of putting people first. Adopting this perspective as a guiding value will begin to change how other aspects of the business are viewed and developed. Next, the organization needs to adopt its own workable plan designed to infuse its organizational culture with people as the priority.

Because organizational change needs to begin at the top, companies must commit to, and then implement, modifications to their leadership training, development and advancement that pro-actively reflect a people-first perspective. The training must be complemented with rewards, recognition and advancement that spotlight the importance of putting people first.

At the same time, modifications need to occur within processes and systems of the organization in order to reinforce the importance of people at all levels.

It Begins With Leaders and Ends With People

The Forum study asserts that “the most important part of leadership embodies the primacy of people, particularly employees.” It draws on a “constituent-based approach to leadership that balances the needs of multiple constituents — employees, consumers, shareholders and the community at large — to ensure that the needs of each constituent are met.” Above all, it emphasizes the importance of employee enrichment that advances the quality of individual lives and extends into “authentic concern for enhancing people’s lives” while it places responsibility directly on the shoulders of leaders.

As authors James Emery, Sim Sitkin, Sanyin Siang, declared in their March 2009 *Workforce Management* article, “In Challenging Times, Leadership Skills and Leader Development Matter,”

In difficult times, organizations should not ignore the positive effect that a leader’s behavior can have on organizational performance. In these situations, people turn to their leaders to inspire them to reach for higher goals, and aspiring to higher goals, in turn, improves organizational performance.

Can there be a higher goal for leaders than putting people first?

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