

Nourishing your employees can benefit the bottom line

Following a moral compass

By Lisa Alcalay Klug

NICE GUYS FINISH last—especially in the competitive business world, right?

Not so, counters executive coach Fred Kiel, who says that while the typical business model focuses on things like profit-and-loss statements, quarterly earnings and other fundamental building blocks taught in business school, the moral compass that a business owner follows is equally important to a company's bottom line.

"The workplace is the result of people's behavior," says Kiel, a Costco member in Minneapolis who holds a doctorate in counseling psychology and has been coaching executives for decades. "When it comes to employees or customers, connecting to them in a way that nourishes spiritually and emotionally will be better for your business. You will tend to motivate and engage and inspire employees, and customers will want to do business with you, even if you cost more than the competition."

Kiel believes integrity, responsibility, compassion and forgiveness heavily play into profits, no matter what size the company. He and Douglas Lennick describe these four traits as essential business tools in their best-selling book, *Moral Intelligence: Enhancing Business Performance & Leadership Success* (www.MoralCompass.com).

Kiel and Lennick say that applying "moral principles" to organizational life produces clear results. The first two components involve intellectual applications—that is, they come from the head; the latter two stem from the heart. Here's a look.

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Moral Intelligence is available at costco.com (signed copies for the first 200 members). Also available at costco.com is a self-assessment test designed by Kiel and Lennick to test your own moral intelligence.



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Integrity. Integrity translates to acting consistently with one's values and beliefs, telling the truth, standing up for what is right and keeping promises. "When you walk your talk," Kiel says, "it generates a workforce that believes what you'll say."

Responsibility. For business owners, responsibility involves taking ownership of personal choices, admitting mistakes and fail-

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ures, serving others and leaving the world a better place. "People have an innate need to be part of something of great meaning," Kiel says. "If you have a leader who behaves that way, it's inspiring"

Forgiveness. In a business setting, forgiveness is expressed by letting go of one's own mistakes as well as the mistakes of others. When staff and clients witness such exemplary behavior, Kiel says, it fosters innovation among employees who aren't afraid to take risks.

Compassion. Workforce retention is the great benefit of compassion, Kiel says. "Employees don't stay with you unless they feel that you care for them first as people."

So what does all this have to do with making money? For starters, even small businesses can save on training, due to lower employee turnover. They can also take in greater earnings thanks to the efforts of a much more dedicated workforce.

Some companies are catching on to the benefits of moral intelligence. For example, in a recent Starbucks print ad, the company proclaimed, "High ideals don't have to conflict with a bottom line." The ad stated that Starbucks has enjoyed less turnover since it began offering its part-time employees health coverage, developed stronger relationships with coffee farmers by setting goals for sustainable agriculture and increased coffee sales by participating in community programs.

As their next project, Kiel and Lennick are studying what Kiel calls the "unconscious software" shared by great CEOs. Outstanding business leaders create positive work environments that deliver on the bottom line. "It's also well established that these cultures don't just magically happen but are a function of what happens at the top," Kiel says. He and Lennick are investigating whether the worldviews held by these CEOs play a leading role.

If their hunches are correct, their research could influence future generations of business leaders, Kiel says. "We should be challenging young people in business schools about their worldviews and challenge them to get rid of some of their cherished assumptions about the world that are really negative to help them achieve the business results they want." ☐

Award-winning freelance journalist Lisa Alcalay Klug is a veteran contributor to The Costco Connection.