

WHOLIVES CORPORATE



PROGRAM

Finally, Proof That You Can 'Do Well By Doing Good'

Michael Norton, Contributor

Associate Professor of Business Administration, Harvard Business School



The phrase “doing well by doing good” has been used, at my last unscientific count, roughly 38 trillion times. Yet despite the buzz, there’s surprisingly little rigorous evidence demonstrating that companies really can make money by doing more good — by being, for lack of a better word, nicer.

It’s critical to prove out the hard, cold, cash benefits to companies willing to try the warm fuzzies of caring about something other than shareholder value — to redefine success as truly doing good and doing well. To this end, my collaborators and I have spent time over the last several years working with companies and non-profits to carefully document the positive impact of kinder, gentler corporate initiatives.

Research suggests that simply having a beneficiary in mind as you work — of knowing that the work you do is helping others — increases motivation and effort. One study at the University of North Carolina focused on employees at a call center whose job was to raise funds for the university. A substantial percentage of those donations went toward scholarships for students in need of financial assistance. Researchers brought one of those students into the call center to tell the employees how his scholarship had

changed his life. This 10-minute experience was so emotionally powerful that one month later employees were still not only making more calls, but raising more money.

Taken together, these results suggest that encouraging employees to define success not only as “How much money am I making?” but “How much of a positive impact am I having on my co-workers? On the world?” leads not only to increased job satisfaction, but also benefits the bottom line.

Imagine a performance review where your yearly bonus was tied not just to how many widgets you sold, but how many you helped your co-workers sell, or how much impact you had on your community. It’s a simple change to make logistically, but a huge change in mindset — one that we hope more organizations will adopt.