



EBBF Profile:

Elsie Maio - Values Visionary Sparking Integral Change in CEOs and Self



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In this interview branding expert and business strategy advisor Elsie Maio talks about what it means for a company to put the well-being of humanity at the center of its identity and strategy, and why those that are doing so are finding great success, joy and fulfillment.

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In Part 2 of the interview, to appear in the next edition of Inspire, Elsie speaks about Maio & Co’s work helping individuals and companies to ‘walk their values talk’, shares intimate insights on the changes she’s going through as a result of her own reexamination of values, and comments on the lives that have inspired and sustained her in her determination to be true to the principles of integrity and right action.

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Elsie Maio: Values Visionary Sparking Integral Change in CEOs and Self

Creative, dynamic, and positively driven by her values, branding expert and business strategy advisor Elsie Maio is one of the most articulate and passionate voices encouraging companies to go beyond socially-responsible rhetoric and to become thriving, responsible businesses through the consistent application of such values as compassion, integrity, and humility.

After positions in equities research on Wall Street, senior editor at *Institutional Investor* magazine, McKinsey & Company communications specialist, senior executive and partner at several world-class identity firms, Elsie set off in 1994 to found her own firm that would help companies become market leaders by aligning their brands and operations with the real interests of their largest stakeholder, humanity. Since then [Maio and Company](#) has become a world-renowned consulting company, working with the likes of IBM, Triodos Bank, Continental Airlines and Veolia Environment, using its innovative SoulBranding^{SM*} model of authentic positioning, while Elsie has written and lectured far and wide on business getting in touch with its 'human soul'.



In this substantive interview Elsie talks about why Maio and Company's clients have done well by doing good, suggests how to avoid the costly trap of brand hypocrisy, and shares how by helping others overcome their fear of change and weld their work to their values she herself has had to revamp her work and priorities.

This first segment looks at why it makes sense, from many different angles, to humanize business.

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EBBF: So what is the business case for aligning companies with human values?

Elsie: Simple: It's good business now and for the long term. Now, decision makers are struggling to organize around uncertainty. They are triaging operations to survive short term, and trying to see through the fog of unprecedented flux in the dynamics of global and local markets. They are searching for some solid principles for thriving in this sea of change. Based on observation and forecast, we feel that human values can provide that anchor for management.

First, our research shows that organizations that are guided by human values outperform others. Human values correlate with leadership in three performance areas--Growth, opportunity, innovation; Financial performance; and Sustained leadership advantage.

Second, human values are the engine behind the zeitgeist, 'the spirit of the age'. They are the key to finding the sustainable 'sweet spot' of preference for every organization today. In the short term, humanizing the company can authentically repair the trust gap with the public and positively energize other stakeholders. And long term, only the relational-driven company will thrive in the personalized democracy that our markets have become. We call this the Global Digital Demos.



On a Panel at a Conference on Corporate Sustainability in Rotterdam. Elsie is between EBBF founder George Starcher (on her right) and Robert Rubenstein, founder of the Triple Bottom Line Conference

On a more conceptual level, the business case springs from three causes.

First, it's the job of business, like every other human institution, to support human interests. But not only didn't business do its job – it pretended to be doing it.

Every type of transaction requires a certain degree of trust between the parties. But there is this terrible trust gap now between corporations and their publics. In fact, they are the most distrusted institution in the world today. And that causes real business problems for organizations, who rely on the good faith of their stakeholders simply to operate, no less to maintain preference in their markets.

Such a rift has been building for quite a while. In the late 1990s, our research predicted a "tsunami of corporate accountability." How did it happen? Some downright socially-damaging behavior from businesses, of course, such as environmental pollution and fiscal irresponsibility. But even more insidious was a consequence of siloed functions at the C-Suite. Too often, the compartmentalized voice of the corporate brand promised what stakeholders wanted, but corporate behaviors delivered something else. There are scores of examples among global companies falling into this trap. Such a gap strains credibility, and ultimately, breaks trust. You just can't believe empty rhetoric.

Today's painful economic decline represents the scorched earth of 'financial fundamentalism,' a term coined by my colleague Doug Smith. It has scarred whatever faith people had that 'the system' is working for their interests and for the well being of society. Let's hope that this hyper-individualism of the past decades has indeed crashed and burned. The next decade will be very different, if any semblance of the system is to endure. Our institutions must serve the well being of humanity. And so, best case, the rhetoric of branding will give way to the authentic human interest and aligned behaviors of institutions.

For example, the faddish treatment of 'greening', and 'sustainability' must move from superficial noise and gesture to embedded standards of behavior. So the measure is not the degree of budgets spent on the fad, nor whether a report is released, nor whether an office of Chief Responsibility Officer is in place -- but how fully human values translate into everyday decisions in the company, from the top through the bottom. I'm talking about values that motivate sound, balanced, socially sensitive operations. We identified 13 of them in the late 1990s, values that civil society was clamoring to see in business practice. But which still haven't been embedded in mainstream behavioral norms and KPIs that matter – yet.

People don't want corporate responsibility *programs*, where the company keeps its social impact in a nice box, compartmentalized like philanthropy, or cause-related marketing.. They want responsible *corporations*. And being a responsible corporation means being like a responsible person: being connected to one's human values and acting from them *consistently* -- not just going to religious services on holidays. And with the veil parted by the Internet, there's nowhere to hide such superficial or even hypocritical behavior.

The second part of the business case is that the power base, the primary stakeholder, is shifting.

The world has changed as business has become more global and human communities of interest more connected. The 'global digital demos', if you will, the population which is engaging with itself and each other on the Internet, has changed the rules of the game. They rule in many ways. They have market leverage, purchasing leverage, and the power of innovation. Smart companies recognize this as the application of last decades' scientific complexity theory at work in the marketplace. For example, when the Demos began to access SONY's music without permission on the Internet, it sued. But Apple's response was to welcome the engagement and offer to post play lists! Since then, crowd-sourcing, crowd-funding and volunteerism have invigorated many smart initiatives and will continue to do so.

And third, the new power base operates in relational, organic, social mode – not in formal, linear, algorithmic mode.

So in order for business to engage with this stakeholder that is calling the shots in many ways, it needs to activate its human values—humility, respect, cooperation, to start—to be more in relationship with people, and to be sensitive to its impact on their shared fate. The data we've collected on this phenomenon over the past ten years shows the direct correlation, for example, between Corporate Social Performance and Corporate Financial Performance; the preference of choice MBA talent to work for companies that exhibit progressive social values; the extraordinary productivity of employees who are encouraged to be more 'themselves' in serving customers; the fruitful innovation that spurts from customer confabs in crowd-sourcing, and more.

Such companies, whose corporate policies and procedures are explicitly driven by human values, are either leaders in their sector because they enjoy the highest rates of customer and employee loyalty, or they see a sharp rise in their market share and/or bottom line as a result of implementing such values-led programs. We've seen this in our studies which so far have looked at airlines, retail insurance, the retail supermarket sector, and banking.



On Rhea Goodman's "Living Juicy" Radio Show 2010

EBBF: You believe that putting the needs of humanity first—including those of customers, employees, community—is the way forward for business. Is this because it is 'be ethical or perish', or is there something else at stake?

Elsie: Let's be clear. My focus is to help my clients become the performance leaders in their fields. One client described our unique value this way: "Your gift is to see the zeitgeist and the best place to position a business in it." So my observations anticipate trends. After all, if you are to position yourself as a leader, you need some time to get your ducks in a row so your claims of leadership (brand promise) do not belie your stakeholders' experience (brand delivery). Misjudging that balancing act has been a trap of irrationally exuberant marketing, which some have fallen into with a loud thud in the past decade.

So in the late 1990s we predicted "the coming tsunami of corporate accountability." Ten years ago we predicted the trust crisis and increasing rift between shareholder-mania vs stakeholder sensitivity. Now, I'm predicting that the WWW is leading us all to WOL: that is to say, the priority of social institutions, not the least powerful of which is Business, must attend to the rising necessity of a new number one stakeholder: the Web of Life (WOL). And the voice of that Web of Life so far, is the collective Digital Demos.

If Business wants its own voice to resonate in helping to define how to address the interests of that Web of Life, it must assume a position side by side as a humble, respectful, humane participant in the mix. The days of top down, push marketing, 'command and control' are numbered. Instead, the wise organization recognizes its 'shared fate' with its customers and other stakeholders and incorporates how they define their well being into its own goals.

It takes different forms. To this end, we have helped corporate clients to leverage their investment by merging their Corporate Responsibility, product and business strategies. And others to cohere consortia against social infrastructure issues in their communities.

In fact, the latter is a timely example for how the current “Great Recession” creates an opening for a high-impact, collaborative way of doing business. It’s the case of a groundbreaking client, an island nation who brought together the corporate sector, philanthropic and charity sector, religious community, and public sector in a novel way, to address major social issues. Applying best business practice in the context of local WOL values, we helped this collection of cross-sector leaders to quantitatively understand the shared fate of their community and bring together their unique strengths in a consortium focused on measurable improvements. Four years later, this practical initiative has been characterized as ‘unique’ and its impact ‘huge.’

Just yesterday, I heard a respected economist say that the US public/municipal sector has yet to feel the brunt of the economic decline “even as the rest of the economy has passed the worst”. That lag will press local governments and municipalities into dire straits to maintain even basic public services for the electorate. The cross-sector initiative described above is an encouraging model for other cities and countries who seek to maximize the impact of available resources, even as they face the twin pain of decimated revenue streams and rising need for social services.

There are five reasons to put humanity first. So A, from a business management perspective, it makes sense to anticipate the forces determining success and to address them. The reason to put the needs of humanity first today, is to be ready before it is the necessity, tomorrow. And to glean the leadership opportunity while it is still there. Business has a new vocal stakeholder and it is humanity, the global digital demos. Its collective interest is the quality of life on earth—the Web of Life. That’s the new factor and, given that, putting the needs of humanity first makes sense if you want to please your number one ‘customer.’

B, it’s the *sane*, self-interested thing to do when you are living in a system. Business also being a logical, rational machine, once it sees that it has this large, unified stakeholder, will recognize that we are all swimming in the same waters, and realize that this closed system needs to be treated well in order to have the greatest collective impact on it.

C, it’s the *right* thing to do. Many businesses do, passively or implicitly, hearken to a value system that cuts across cultures and religions, which is basically what some of us call the Golden Rule: ‘Do unto others as you would have them do unto you.’ And that’s right action, and when businesses act on a human level, they will take choices that will be like the Golden Rule. (By the way, as companies enthusiastically pursue growth in the newly popular markets at the BoP -- bottom of the pyramid of income -- ethics and ‘right relationship’ will be key success factors in the way they serve this economically vulnerable customer base.)

D, it creates a virtuous circle. Self-renewing systems operate collaboratively, with a symbiosis that recreates energy and opportunity. So too with systems of people – the teams inside and outside your circle whose behaviors are reinforced by positive experiences, which lead to more.

E, finally, I think it's the joyful way to live. And we see this on a very personal level, when one human being is being respectful, open, collaborative, and contributing to another, there is a sense of personal fulfillment that is at the root of all social engagement.

So it makes sense for all these reasons: it is a rational thing to do, the right thing to do from a moral and ethical point of view, and it is the joyful thing to do.



Leading a SoulBranding training for the Center for Sustainability and Excellence in Athens

EBBF: You work with the upper echelon of business executives; do you find that they are moving in this direction? And is the movement fast enough?

Elsie: The clients I've worked with, whether decision makers in large organizations or individuals in my private consultation practice, all espouse 'right action.' And like all of us, are moving on a path toward living that more fully. But we're all moving out of an old way of doing things and the transitions can be challenging. I'm no exception: I've had to break the momentum of 'irrational exuberance' myself and restructure my personal and professional practices to the new reality.

We're all facing internal and external challenges in this transition. Prevailing social and business systems have discouraged anything but financial fundamentalism, over-consumption, and an open-systems notion of our natural resources. It's like the law – people have always told me there's a 20 year lag between social need and a change in laws. Our institutions are lagging reality now, and that's caused a lot of pain and disfunction.

But I am optimistic that this "Great Recession," as I've heard it called recently, has created a marvelous opening for something new. And the leaders who are our clients, see that opportunity -- for themselves personally to evolve into more dimensional human beings and for their companies to evolve into thriving, profitable vehicles for social good.

So, evolution being what it is, I do find some companies moving in that direction, organically. It even looks a bit willy-nilly. Certainly, there is at least more lip service to 'humanity' in the brand-speak out there. Chemical companies talking about 'the human element', oil companies talking about 'human energy,' are examples of well-intentioned, but usually siloed marketing trying to address the zeitgeist.

Now there can be a big problem with this, for you'll often notice a disturbing gap between a company's brand face and its footprint on the Web of Life. Do you trust someone who says one bold, inspiring thing and does the opposite? What is happening is that the *brand voice* is saying the right thing but the *body's internal systems* are following an old pattern of behavior.

EBBF: Why is that?

Elsie: There are several reasons. First, because of the inertia of organizations: it requires effort to change 'business as usual' practices. And second, it is as if the organization is schizoid: Part of the company knows that it is the right thing to do from both a practical point of view as well as from the perspective of the human soul of the company; however, another part of the 'brain' (the left side, in this case) is just stuck in the inertia of historical precedent, stuck in the ego fear of change, stuck in the old model of greed and elitism, which is the *devolved* purpose of companies. The idea that a corporation exists for its shareholders represents *devolution*. Our economic institutions are there for the health of the *oikos*, the household of humankind. And this compartmentalization of the 'self' is reinforced by the silo structure of the organization.

We all need help to reinforce deep change, and it helps to have proven processes and a blueprint to stay on track. That's why we created the five-stage, holistic SoulBranding Model ten years ago. It integrates the parts -- the 'head' or human vision of the organization; the external reality; the internal, human impulse of the people -- with the external stakeholders' participation in a continual renewal process. The same model works for individuals looking to integrate for success in the Personal SoulBranding model, which I use in private consultation and in the Threshold weekends for client teams.

The human brain may be a useful model to explore here. I believe we are watching the drama of the psychological evolution of the corporation: the mechanized, algorithmic side is hyperdeveloped and in charge of the body. This side is great at transactions, linear progression, all the tasks associated with automation, digitization, derivatives ad infinitum, that got us to this point, e.g. the World Wide Web. But now, the mechanism is running amok in the vacuum of meaning it has created. The financial system is an example of what I mean.

It lost its connection to the reality of its closed system, and to its purpose. Without the wisdom and intuitive direction of the other part of the business brain, it will self destruct entirely. Now is the opening. Now is the time for those human values to round out perspective, to soften the edge of the mechanism with wisdom and a sense of identity with the whole.

That's what I refer to as the 'feminization of business': nurturing the relational part of the business brain. So we are in a transition, first to acknowledge the need for a relational model of business behavior, and second, to nurture the development of new neural pathways to direct the business body in a collaborative dance with the web of life.

I think the psychological compartmentalization (left/right brain; ego/collective identity, mechanistic/strategic; etc.) is reinforced by functional silos in the organization. It's where the walk versus talk conflict shows up: operations vs marketing. And so, even when a clearer, holistic view of the organization's purpose and values are agreed, the organizational silos make it difficult to follow through.

Because if a company really takes humanity as stakeholder seriously, many different parts of the business -- marketing function, production function, and human resources function would need to collaborate in sync, for example, on developing a new product. Another example is, if you say that humanity is the majority stakeholder, you would have to review *all* your products and see which actually enhance humanity's well-being and which hurt it, and you'd change your directives to research, pull products, and so on. And that hasn't happened; the Intention hasn't seeped into the cells yet. The neural pathways are just starting to fire up and burn new connections.

That's the next level of change. Each department, each level needs to adopt a new set of design goals based on promoting the well-being of humanity, transform these goals into new KPIs for every manager, executive, sales person, for every one working there. And this is a bumpy process, just as it is for an individual transforming from one stage to another. And while change occurs incrementally, I think that what we're witnessing in many companies now is a milestone evolutionary event for capitalism.



Integrating Values, CSR, Business Strategy, and Positioning at Chiquita, 2009

EBBF: It seems for a company to take it to this next level there needs to be changes both on individual and institutional levels.

Yes, and that's why our corporate clients have asked us to add personal consultation to help with the authentic re-positioning of their organizations. So we're working top-down and bottom-up. This is the highest-return approach. You know, a corporate brand can function like a beacon. In the same way that some would say Brand Obama represented hope or optimism, everyone's eyes will turn to a corporate brand when it starts sending out a new signal. When it is signal of optimism and transformation that is calibrated to tangible milestones, this accelerates bottom-up change. Employees light up with the chance to be more 'human,' more themselves in their work.

This all becomes absolutely joyful and almost organic transformation with an authentically inspired leader. The *joie de vivre* of right action, of joyful celebration of the human spirit can take on a momentum of its own, creating a corporate transformation of ease and grace. This is where an individual leader can really make a difference. The more personally aligned the leader, the easier it is.

Continental Airlines is a company I have some personal exposure to in this regard. Today, it enjoys top rankings for customer preference and employee delight. That started with a management philosophy and practice initiated by Gordon Bethune, its turnaround CEO from the last decade, and his management 'heirs' right down to CEO Jeff Smisek today.

Under Gordon's leadership, Continental rose from the lowest point to industry leadership. How? With personal conviction, passion, and genuine inclusiveness, Gordon involved the airlines' entire employee base in an invitation to join him in effecting its turnaround. Years before 24/7 social networks existed, he included all employees in weekly, personal communications; rewarded all employees with token financial awards when on-time flight arrivals improved; gave them the trust and latitude to decide work schedules when it was unheard of in the industry. When I asked Gordon point blank, what was the most significant

contributor to Continental's turnaround to airline of choice over the past decade, without missing a beat he said, "D and R, dignity and respect." His management team empowered employees with trust and the tools to do their job better than anyone else – and they did. And still do. Recently, Jeff told me "We take care of our employees first. We trust they know best how to take care of our customers." And the company and its customers enjoy the benefits of their best in class performance.

In other cases, the change could be heralded by a new brand, standing in as it were, for the authentic commitment of the organization. In the best case, the corporate brand magnifies the energy of the CEO or top management team by heralding their vision and commitment. Let's take GE as an example. Interested in pursuing the growth opportunity represented by energy conservation and environmental restoration, GE launched a campaign and branded it 'ecomagination'— That clever, high-profile launch sent warning bells off for me as a potentially superficial branding gesture. We observed closely and discovered organizational legs to this communication. Apparently, this was a strategically integrated effort to focus employee energy -- as well as external attention -- on new product development and sector growth opportunities. The communications part of the program opened up in the hearts of individuals their desire to contribute to the greater good and this desire was integrated into the greater good of the business with tangible management tools. This is the way a corporate brand (and this was just a single campaign) can lead transformation: by backing up its talk with corporate policy.

If the brand doesn't match the inner part of the company, then it won't fly. But when it fuels high performance, branding is 'being.' That's why we're so rigorous in identifying our five step approach SoulBranding as holistic. In spite of the name, it is not about marketing; it's about balancing a compelling promise with its delivery.

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[← BACK](#)

[▲ BACK TO TOP](#)

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