

Brief

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Grow: by making work more meaningful for employees and customers

Sodexo as an example of building a solid, meaningful and emotional core to driving business

"We are shifting our focus back to men and women. The new frontier of performance is human."

Michel Landel, CEO of Sodexo

Over the past decade or so we have seen a loss of trust in organisations and leaders. This is confirmed by data such as the annual Edelman Trust survey unveiled at Davos. At the same time, some experts, and organisations such as the OECD have moved on from their exclusive focus on GDP levels and growth as the best proxy for socio-economic progress – realising that a wider range of non-financial aspects to life are just as important.

We can all see that, increasingly stakeholders (from investors to employees) need more than just a profit-based business plan to engage them and keep them loyal. That is why businesses have invested so much in recent years in developing responsibility policies – indeed one piece of research suggests about 20% of major corporations have a Board committee focused on responsibility and social impact issues, and about 60% publish some kind of regular report on these issues.

There is also now much more evidence from psychologists and neuroscientists – looking at what engages and motivates - that meaningfulness matters increasingly not just to employees, but to customers and others.

We looked at Sodexo as one example of a business building a careful, long-term approach, aimed also at driving growth - based on a range of publicly available material (see sources at the end of this article).

About Sodexo

Sodexo is the 18th biggest employer in the world, 428,000 employees serving 75 million customers every day across 80 countries – with a turnover of €18bn. This has been built from its start as a family business in 1966, providing food and catering services to local hotels, schools and businesses in the south of France. It now provides services ranging from food in schools, hospitals, businesses and the Olympics, to facilities management in student accommodation and army bases, running prisons and managing employee incentive schemes – in the cost-pressured and competitive outsourcing market.

Sodexo designs, sells and delivers these services around the idea of 'Quality of Life'. A partner of the OECD on its Better Life Index, Sodexo focuses on the different dimensions of Quality of Life that it can influence through its services across the range of environments in which it operates: from nutrition and well being, a safe and productive environment to reward and motivation.

Given the OECD's focus on policy-making well beyond GDP to a wider view of socio-economic well-being - taking a more rounded view of non-financial factors - this is an interesting and potentially very powerful partnership.

Six possible reasons to learn from Sodexo's approach

There appear to be six reasons why Sodexo's Quality of Life approach is worth learning from, that also capture lessons from other organisations aiming to achieve a long-term, sustainable approach to responsibility:

1. *Strong emotional and human core – with rational foundations*

CEO Michel Landel says the purpose is to “provide men and women reasons to feel better and more respected. It speeds up their progress, and that of society itself”. It focuses the work of Sodexo on its impact on people. “We believe that to create lasting value, organisations and society must place people at the centre of their thinking. That is why we have made Quality of Life our business and our *raison d'être*” says Landel.

It is a surprisingly bold position with strong emotional and rational underpinnings. Landel talks about the limitations of the current economic model used by most organizations: “Decades of rationalization and efforts to improve processes, methods, structures and expertise have depleted the potential to boost productivity. They exert an increasing amount of pressure on women and men.” Instead, Sodexo has come to believe that finding personal fulfillment at work is essential to sustainable growth.

Take, for example, the straightforward and practical contract for maintaining the boiler room in an office building. Instead of the goal being to ensure a fully functioning boiler, the approach to the work should be that the working temperature in every room in the building should be just right to ensure everyone works at their best. The employees in the Sodexo maintenance team are motivated to focus ultimately on the people, and the quality of their working environment.

2. *At the heart of driving business growth – not just a nice-to-have add-on*

Sodexo says that it is essential to have ethics and growth hand-in-hand, for business, society and the wider economy. It believes that the Quality of Life approach to be the engine

of growth, the idea that differentiates Sodexo from competition in a tough environment where competitors are selling on price, cash flow, or reliability.

How seriously it is taken in business terms is shown by how it is used to help decisions over which new services to develop, what and how to sell to particular clients, how to price and what service areas or markets to exit.

3. Holistic – it connects to many core parts of the business and operations, as well as its mission and values

The Quality of Life concept can be strongly applied in every unit of the business – every client segment (public and private sectors), every geography. It is a glue for the company, drives its business strategy. It is also used to develop the employee value proposition and the aspects that shape the quality of working life at Sodexo.

Sodexo has also started using it within the company to develop the employee value proposition and all the aspects that shape the Quality of Life within Sodexo itself. “The men and women working for a company must be the real beneficiaries of its success: this is without doubt the best way of ensuring the company’s sustainability.” This is now shaping Sodexo policies in diversity, inclusion, training and development.

4. Meaningful to a full range of stakeholders – and a debate owned by all

Sodexo believes a power of the concept stems from being important to everyone (customers, employees, investors, business partners), reducing the risk of bias under pressure from any vested interests. Many businesses feel they are fundamentally investor-driven, or customer-driven, or regulator-driven. Sodexo sees Quality of Life as helping them to be driven by what is right for all.

They also want Quality of Life issues to be an open public debate and have created forums to encourage this. The Sodexo Institute for Quality of Life is set up to gather and commission thinking and evidence. Sodexo also has a dedicated website - the Quality of Life Observer - which publishes a range of relevant material, not just from the company and the OECD, but other businesses doing work or research in related areas such as diversity, nutrition, well-being, the environment and so on.

5. Long-term and sustainable – not just flavour-of-the-month

Quality of Life stems from the mission of the business when it was founded by Pierre Bellon in Marseille in 1966 and has been a guide ever since. In the past five years it has started to become more concrete and more completely managed. For Sodexo this is a journey, but a permanent one. Quality of Life will always shape what it does and how it does it. This removes doubts in anyone’s mind about whether they should invest energy and commit to it.

6. Credible – not just ‘PR fluff’

The partnership with OECD, and the metrics Sodexo is developing helps its credibility. It is aiming for objective definitions and monitoring of progress. The OECD takes a macro approach to quality of life, Sodexo a more micro, bottom-up approach based on similar convictions.

In the longer-term, Sodexo will need to demonstrate progress through a long track-record of measurable outcomes and successful actions. To date this mainly consists of individual cases and examples: a Sodexo off-shore offer proposes an innovative well-being solution that consists of a comprehensive incentives-based program which encourages and rewards workers for getting and staying in shape – at work and on leave, both physically and mentally. Similarly, at one of the largest urban school districts in North America, a safer, cleaner and more positive learning environment led to increased attendance, improved grades and test scores. After a global technology company added more collaborative and outdoor spaces to its headquarters, it surpassed its goal for employee retention and new employee engagement.

A long and challenging journey that will require plenty of commitment

Is Sodexo perfect? With 428,000 employees serving 75m customers every day, there are bound to be challenges. Success will require solid evidence that Sodexo is developing, growing and documenting improvements in the Quality of Life of the individuals it serves and in the performance of its client organisations.

Sources

Sources used for this article include: Chin: *Is GDP the ultimate measure of success* TED talk on Youtube (Boston Consulting Group); Coyle: *GDP – A brief but affectionate history* (Princeton); Landel: *The new performance frontier* (OECD Forum); *How’s Life? 2013 Measuring well-being* (OECD); *OECDBetterLifeIndex.org* (OECD index, data and reports); *QualityofLifeObserver.com* (Sodexo managed public forum); *Sodexo and the OECD join forces to further understand quality of life worldwide* (Sodexo press release).