

THE SOCIETAL DUTY OF BUSINESSES

Happiness, meaning, and fulfillment
for your people

WRITTEN BY:

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Before becoming the Chief Operating Officer, my primary role at Morton Capital was as a financial advisor. In 2017, I was working with a prospective client who ran a non-profit in Northern California. We were having a discussion about her life and wealth goals and began chatting about her role as the leader of an organization. I asked her to share her favorite aspect of leading the non-profit organization and she quickly said, “The dinner table conversations.” I was immediately confused but asked her to describe what she meant. She said, “As a leader, I am responsible for making sure my team finds meaning in the mission of the organization, is fulfilled in their career and ultimately goes home to have positive dinner conversations with their families.” I was blown away by this story and it transformed my views on leadership. Most books, articles, and podcasts define leadership as being about the processes and the people. And when it comes to the people, research typically focuses on boosting productivity and engagement within the organization. But in reality, the impact of leadership goes beyond the four walls of the business. The people leaders work with go home to family and friends, and they bring whatever energy they felt during the day home with them. Sadly, according to the most recent workplace studies, 40% of people are not bringing positive energy home; they are stressed and unhappy. I believe this is why my prospective client highlighted that her most important role was to impact dinner table conversations.

It’s been four years since that meeting and upon further reflection, I asked myself, “Does the influence leaders have on their people have to end at the dinner table?” The more I have researched, the more I am convinced it does not. If people are treated well at work, they will be happier, and studies show that happier people will be less stressed and kinder towards others. This made

me ask the next question, “If we had kinder people in society, could we create real change within society at large?” There are some obvious benefits to fostering a kinder society, such as better relationships and less depression. But a lack of kindness is also a root cause of more complex societal issues, such as political divisiveness, racism, animal cruelty, and shootings. These issues are obviously multi-faceted, and I am not proposing that kindness is the singular solution; but I am proposing that it can tilt the scales.

In the same way we ask the education system to influence better behavior in children, I believe it is fair to ask that workplaces do the same for adults. In fact, the workplace is probably one of the most influential places due to the simple fact that it is where we spend most of our waking hours. If leaders saw it as their societal duty to provide their people with fulfilling, happy careers, the trickle-down effect could be meaningful.



**Empowering Leadership =
Happier People =
Kinder Humans =
A Better Society**

Leaders are the new teachers

I should note that there is not much research on how workplaces impact society, so I have been digging into other sources to support this thesis. I mentioned earlier that 40% of people are stressed, unhappy or dislike their leader. This means that almost half of the people you meet had negative experiences that week. There is also research on the impact of positive “energies” vs. negative “energies,” and what the studies found is that these energies are learned behaviors. This means that unless there is a medical reason, people are not born unkind, they learned that behavior. So, there is an opportunity to help teach people how to be kinder and happier through positive relationships. These positive relationships can actually change your physiological health for the better by lowering your blood pressure and arming individuals with a heightened ability to navigate stressful situations. We’ve actually seen proof of this in classrooms when observing teachers who approach their students with positivity instead of negativity.

Think about your favorite teacher growing up.
What are the key attributes of that person?

I’m guessing you thought of words like empathetic, caring, thoughtful, individualized teaching, etc. Likely when an issue arose in the classroom, that teacher didn’t say, “why are you this way?” but rather “what habits have you learned that led to this behavior and how can I help you learn a new behavior?” The research shows that children who were approached with empathy in this manner are happier, and ultimately more successful. In my opinion - as adults - workplaces are just the new classrooms and leaders are the new teachers.



Be aware of cultural disruptors that prevent happiness

Cultural Disruptor #1: “It’s them, not me”

This is the most common excuse I hear from owners of companies who are not interested in taking on the societal responsibility of helping people be happier. What’s ironic about this excuse is that the business itself will likely suffer the most from this attitude. The most frequent example of this is when leaders complain to me about the “millennials” that work for them. They “want it now,” are “entitled,” and are “lazy.” My first response to them is “know your audience,” as I am a millennial myself, and second, “what led you to the conclusion that they are the problem?” Mark Sylvester referenced this issue on his TEDx covering problem solving. He said, “everyone wants a one-click solution to solve their problem, but it’s your problem to solve and your reward to receive.” Instead of pointing at millennials as the problem, if we started asking them what they desire in a workplace to be successful, we would learn that they have several needs.

They desire to have a plan, need help building confidence, and want their company to be relevant.

These seem like fairly reasonable requests, especially if they are asking to grow as individuals and contribute to the company. We have to remember that millennials are the first generation that grew up being told how “special” they are, but might not actually have the confidence to make meaningful “special” contributions to the

company. Many people are not lucky enough to have attentive parents, or thoughtful mentors. In the absence of those role models, leaders should assume that part of their job is to empower people to be confident in themselves.

Cultural Disruptor #2: “There isn’t enough time to help people be happy”

The difficult part about this disruptor is that time is a precious commodity and asking leaders to give more time to their people can feel like a big ask. But we have to remember that while founders start companies, they don’t usually build businesses alone. People build businesses, so shouldn’t we spend time building up people? This means teaching people the skills that they need to be successful. And when they aren’t successful, we should be asking questions to get to the heart of the issue so they can learn from their mistakes. For example, whenever there is an issue, leaders can use the following three-question system:

- 1 What could I have done differently?
- 2 What could the individual have done differently?
- 3 Are there any processes/systems that need to change to be more successful in the future?

Using these three questions will help people feel supported and not fearful that they alone are to blame when mistakes inevitably happen. Sometimes the goal of helping people be happier can actually be accomplished just by helping them feel safer.

"It's them, not me"

**"There isn't enough
time to help people
be happy"**

Cultural Disruptors
**to happiness in
the workplace**

"Blind loyalty"

**"Throwing money
at the problem"**

Cultural Disruptor #3:
“Blind loyalty”

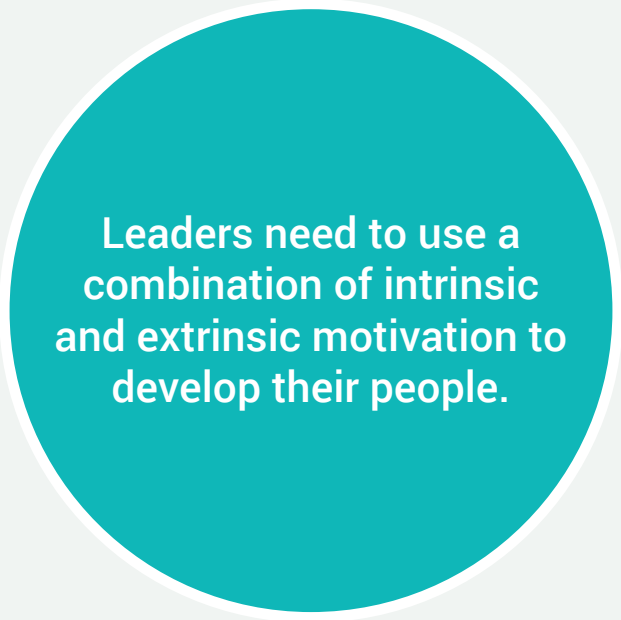
Every time someone tells me one of their core values is loyalty, I am equally thrilled they have this value and become cautious because loyalty can turn into blind loyalty in an instant.

This blind loyalty causes businesses and organizations to keep people in leadership positions who are posing obstacles to a firm’s progress.

For example, let’s say you run a family business and Uncle Dave is in charge of the sales team. Over the past 2 years, you have experienced 25% turnover in that department, and in exit interviews, people have expressed that they didn’t feel empowered by Uncle Dave. You chatted with Dave about this a few times but have been reluctant to fire him because he is “family.” This is the same story I hear when people in leadership have “been with the company for 20 years and it’s too late to change them,” so we just keep dealing with their negative energy/leadership style. This type of blind loyalty resulting from nepotism or company tenure, is detrimental to organizations and should be dealt with or avoided at all costs because your people are watching you tolerate this behavior. This tolerance will cause trust to slowly diminish within the organization, lead to increased gossip/turmoil, and undermine the mission of promoting happiness in your people.

Cultural Disruptor #4:
“Throwing money at the problem”

There is ample research showing that money is not the best tool for truly motivating people. However, it is generally the easiest solution that requires the least amount of energy and thoughtfulness. In the short term, using money to motivate people or promote happiness will probably work. However, in three months, people tend to forget about their raise/bonus and revert back to habits that do not promote the business or workplace wellness. Leaders need to use a combination of intrinsic and extrinsic motivation to develop their people. Intrinsic motivation tends to be more feelings-based – i.e., feeling that their boss cares about them, or they are proud of the mission of the company, or the culture is awesome. Extrinsic motivation is generally about compensation and benefits. Both are important, but intrinsic motivators are best for long-term happiness and growth.



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How organizations can influence change

1) Be curious about trust

It will be difficult for any organization to make progress if they have not taken time to address where a lack of trust exists within an organization. Trust is tricky because there are no simple solutions. In a podcast with Esther Perel, a renowned psychotherapist and author, she discussed trust and quoted a philosopher who said, “Trust is a risk masquerading as a promise,” which is a profound concept. We often ask people to trust us because of our history or expertise, but what we are really asking is for people to take a risk on us. This is a bigger commitment than we may realize and takes a significant amount of effort on the part of the other person. To truly create a culture of trust, I recommend reading two books simultaneously – the *Five Dysfunctions of a Team* and the *15 Commitments of Conscious Leadership*. Start with the first few chapters of the *15 Commitments* so that your mindset is open and committed to learning. Then read the *Five Dysfunctions* with 3-6 leaders within the organization. There are some great practical applications in the book that will help any organization understand where a lack of trust is negatively influencing the business. At Morton Capital, we decided to take a year off from growth in 2018 to focus on trust and it was the best decision we could have made. Now, conversations around trust are normalized within our company and we more quickly and openly address issues that inevitably arise.

2) Develop career pathing that increases engagement

An increase in engagement is correlated to happiness and fulfillment. One of the most

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important ways to foster engagement is to create clear career paths for every employee within the organization. In order for these career paths to be effective, they need to both be scalable and customized. Start by creating general career paths within the organization that outline the qualitative and quantitative skills necessary for an individual to make progress. The qualitative skills should reflect the values of the company, emphasize respect for colleagues, and highlight the importance of learning. Then, survey team members to find out how they want to contribute and add value to the organization. If they have questions about their options, dig in and have in-depth discussions about the potential career paths within the organization. When their goals are clear, meet with team members regularly to develop customized timelines to help them contribute to the organization in a way that will grow the company and create career opportunities. This is especially important in a remote workplace, where managers will have to adopt “goal-based” leadership vs. “presence-based” leadership to measure success. In addition, create an

educational program to help people grow their workplace skills (such as organizational or goal-setting skills) and their technical knowledge to scale learning and development. According to workplace surveys, this level of engagement/happiness results in an average of 21% higher profitability than unengaged organizations.

3) Have a vision people will rally around

Simon Sinek recently published a book called *The Infinite Game*, where he proposes that all organizations should have a “just cause” that influences the behaviors and vision of the company. This helps people find meaning in their work and do something that is “for others” instead of just for the sake of making money. In our organization, we have a mission of “empowering better investors through education” with the goal of helping people make better financial decisions that align with their values. By working for the benefit of others, we are able to be clear about our company goals and strategies, leading to a better client experience and a vision that inspires our people.



In our organization, we have a mission of “empowering better investors through education” with the goal of helping people make better financial decisions.

Leaders can inspire people to be better members of society

It’s been said that leaders need to lead by example and be the change they want to see. When I think about my own career – starting as a wedding planner, then a barista, followed by fitness instructor, an operations administrator, financial planner, advisor, and now COO/business owner – I can certainly say that I would not have made it this far without leaders who believed in me and saw the importance of workplace happiness. Our CEO, Jeff Sarti, will openly share that one of his top priorities for our company is creating an organization where people love coming to work. This statement, along with his humble confidence, empathy, and positive leadership, gives our entire team motivation to continue pushing forward the mission of the company. This energy causes a boomerang effect, inspiring our firm’s leadership to empower our team so that they are fulfilled in their careers, bring positive energy into their dinner table conversations, and are kinder members of society.

To see research/references mentioned in this article, [click here](#).



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Morton Capital, COO

Stacey McKinnon, CFP®, is the Chief Operating Officer and a wealth advisor at Morton Capital, an RIA with over \$2B in AUM and more than 50 employees. She is passionate about creating environments where employees and clients can thrive and has dedicated her professional career to spreading the message of positive leadership inside Morton Capital and throughout the financial services industry. Being from Lake Tahoe, a small town in Northern California, she takes this same passion into her personal life with the goal of creating an environment where her family can thrive. She enjoys paddle boarding, skiing, hikes with her pup and husband, and most other outdoor activities. The “pursuit of being better” is her personal mantra and is the underlying theme of her papers, podcasts and public speaking engagements. Learn more about Morton Capital [here](#).

To view Stacey’s TEDx conversation on “The Societal Duty of Businesses,” [click here](#).

Disclosures:

AUM information as of 12/31/2020. Morton Capital is an SEC registered investment adviser; however, such registration does not imply any level of skill or training. Our disclosure brochure (Form ADV Part 2A) contains detailed disclosures regarding our services and fees, along with applicable conflicts and how we address such conflicts. A copy can be obtained upon request or at <http://www.adviserinfo.sec.gov>.

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