



# People First

The picture above represents the notion that most organizations have the majority of their puzzle pieces in place. However, the most important piece is often missing, the people piece. “Putting people first has always been America’s secret weapon. It’s the way we’ve kept the spirit of our revolutions alive - a spirit that drives us to dream and dare, and take great risks for a greater good.”

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Unfortunately many of our organizations lose sight of what is most important, its people. This article will pull from review studies that have been conducted to demonstrate what is possible for a company when its people truly come first. Scripps Hospital in San Diego was able to increase their profits by 1200% over a 10-year period through making their people a priority. By the end of this article not only will you understand the benefits of a people first culture, but you will learn ways in which your organization can make people feel like part of the puzzle.



*“Putting people first has always been America’s secret weapon. It’s the way we’ve kept the spirit of our revolutions alive - a spirit that drives us to dream and dare, and take great risks for a greater good.” - Ronald Reagan*

The quote above captures an important theme that unfortunately is lost within many organizations. In order for change to occur, for dreams to be fostered and for a spirit of ingenuity to be alive, people need to be the focus. Great leaders and world-class organizations have the same thing in common, they make people matter.

In many of today’s organizations, their systems, processes, and technologies take precedence over people. Having the perfect organizational process is useless unless you have people with the skill, understanding and desire necessary to manufacture the work. Regrettably, people are often seen as a number instead of an important resource. Companies that have prioritized their people, thereby capitalizing on their potential, have seen unparalleled success.

This article details the importance of having a culture where people come first. We will look at statistics that support the notion that when people come first, the bottom line is positively affected.

Scripps Healthcare in San Diego is a prime example of an organization that was able to reap the benefits of having a people first culture. Scripps Healthcare was able to improve employee results by 54%, realize \$70 million in cost savings as well as increase its annual profits by 1200% over a 10-year period. This was made possible by focusing on financial performance and recognizing people as an asset and priority in the

organizations culture.

A people first culture is a culture where employees are the focus. Employees needs are met, they feel appreciated, they are paid well and treated fairly, they are encouraged to continuously improve, they understand their expectations, they have the right tools for the job and they are recognized, coached and mentored versus being pushed and bullied. A people first culture is a culture in which organizations like Microsoft spend \$170 million a year on training so their people have the skills necessary to be successful in their jobs.

Numerous studies spanning the past ten years have shown that people who are involved, appreciated, and valued are committed to their organizations success. Research has shown: organizations that possess transformational leaders who understand the power of emotional intelligence are able to drive success through connecting and caring for their employees.

Moving forward, we are going to look at a few specific studies that have been done to prove that when people come first, the puzzle pieces fall into place.





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The piece missing most often in an organization's puzzle is the "people piece". Without people, an organization will never be whole, no matter how many other pieces are connected.

Sirota Consulting tracked the stock prices of 28 companies that had monitored their employee morale during the past four years. The results: "Companies with "high morale" saw their stock prices increase more than five times those of the half-dozen companies with "low morale" (16 percent vs. 3 percent). The stock performance of the high-morale companies also bested the results of the industry average by a significant margin (16 percent vs. 6 percent)."

Jeffrey Pfeffer and John F. Veiga write, according to an award winning study of the high performance work practices of 968 firms representing all major industries, "a one standard deviation improvement in the human resources system created a 7.05% decrease in turnover and, on a per employee basis, \$27,044 more in sales and \$18,641 and \$3,814 more in market value and profits, respectively." Yes, that's an \$18,000 increase in stock market value per employee!

It should not be a surprise that companies with people who have high morale do better financially. They are able to retain their top employees, they are able to generate innovative thoughts because their people have a voice and they have employees who work hard because they are involved and committed. Employees who work for these organizations also work smarter and more responsibly because they are encouraged to continuously improve.

Take a look at The Men's Warehouse example. This organization has found significant success by having a people first culture. The Men's Warehouse went public in 1991. Its 1995 annual report noted that it had achieved compounded annual growth rates in revenues and net earning of 32 and 41

percent, respectively, and that the value of its stock had increased by approximately 400 percent. The company attributes its success to how it treats its people and particularly to the emphasis it has placed on training, an approach that separates it from many of its competitors.

Research has shown that there are a few crucial elements common in organizations that possess a people first culture. These elements are briefly described below:

- **Reward Your People**
  - Celebrate Successes: Reinforce necessary behavior through positive recognition and acknowledgment.
  - Pay Your People: Pay people what they are worth. Money is not everything, however it is important.
  - Provide Job Security: Let your people know that they have an opportunity to achieve their professional goals.
- **Grow Together As One**
  - Share Information: The more informed your people are the more included they will feel and the better prepared they will be to make decisions that affect the organization.
  - Engage and Empower Your People: Allow people to utilize their skillsets; you hired them for a reason! Give them projects to work on that align their skills and their passions. Let them know they have an opportunity to be make a difference within the organization.
  - Document Progress: Ensure people understand that there are advancing in the right direction, through feedback or periodical evaluation.
- **Connect, Connect, Connect**
  - Provide: Training workshops, large group interventions, company escapes, time away from the normal day-to-day to enjoy each others presence as well as to learn from each others experiences.
  - Collaborate: Give your people as many opportunities as possible to work together. Utilize the various perspectives people have to ensure diverse thinking and action planning.
- **Give Everyone A Voice**
  - Open Up Decision Making: Do not leave all of the decisions to be made by upper management. The more involved people are in the decision-making process the more buy in and commitment you will have.

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- Foster Participation: Have round table meetings, facilitate focus groups, have interactive communities through the intranet, make it easy for people to provide their opinions and thoughts.
- Never Discount Anyone: You will be surprised at what can be brought to the table by those who you least expect.
- Prevent Status Discrimination: When those with status continuously overpower people, the workforce will often withdrawal.

- **Provide Heart**
  - Appreciate Your People: Make your people feel important. Thank them for the work they do, listen to their thoughts and ideas and they will feel special and cared for.
  - Value Your People: Seek out their advice; let them know how their contributions affect the bottom line. Understanding their importance will allow them to take ownership.
  - Empathize: Using empathy is one of the best ways to connect with employees. Using empathy is also a great way to foster dialogue.

The items described above are not difficult to implement. Rewarding your people, providing people with the information they need to be successful, connecting resources, giving your people a voice and providing them with heart should be staples within every organization.



*“Businesses often forget about the culture, and ultimately, they suffer for it because you can’t deliver good service from unhappy employees.”*

**-Tony Hsieh (Founder of Zappos)**

Tony Hsieh the CEO and founder of Zappos established his organization with the mindset that the most important part of his business would be the people who work for him. Tony made his people’s happiness his number one priority. In just a few short years, Tony was able to produce a \$265 million company that sends shoes all over the world.

Like Tony, there are many CEO’s who have decided that people need to be a top priority within their organization. Below is a short list of companies who are continuously voted as being some of the best companies to work for. The employees from these organizations consistently have high morale and a passion for what they do. These companies include:

1. Facebook
2. Southwest Airlines
3. General Mills
4. Apple
5. Proctor & Gamble
6. Google
7. FedEx

These companies are continuously on the top of their market because of their innovation, understanding of change and the ability to drive results. These companies are able to hire the best of the best and that is because the best want to work for organizations where people come first.

This article was meant to provide some insight into the advantages of establishing a culture where people are a priority. We at Meyvn are passionate about helping organizations create cultures where people are seen as resources versus numbers. We have training workshops and consulting services dedicated to the advancement of organizational growth and development.

For more information about our services or questions relating to the article please contact Steven Cohen at [Steven@MeyvnConsultants.com](mailto:Steven@MeyvnConsultants.com) or go to our website:

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