For love or money: What motivates your enterprise?

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In the model of the firm that prioritizes economic efficiency above all else, there would appear to be little room for values such as love. But the fact is, love is a virtue that inspires people in organizations.

Love is present in every facet of our lives. We love our families, our friends, our pets. We are even capable of developing love for certain objects.

So, if love is that important to us, why don't traditional theories on the firm allow room for love in organizations? Are economic efficiency and profitability incompatible with expressions of charity or love?

These are the questions raised by IESE Prof. Antonio Argandoña in his paper, "Love in Companies." The author argues that a successful, solid, long-lasting business needs to be filled with, and surrounded by, active expressions of love.

What motivates organizations?

An organization is basically a group of people whose actions are organized around a common goal and whose mission is to achieve results that are considered desirable by all those involved. Owners, executives and employees, however, are all driven by very different motivations.

We can distinguish between three types of motivations:

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- *Extrinsic*. Salary is an example of an extrinsic motivation for an employee.
- *Intrinsic*. The personal gratification of a job well done, or developing one's knowledge and skills, is an example of an intrinsic motivation for an employee.
- *Transcendent*. Transcendent motivations have wider effects that extend beyond the agent in question. Asking a subordinate to lie to a customer, for example, will result in a series of positive or negative consequences for everyone.

No room for love

All of our actions have potentially extrinsic, intrinsic and transcendent dimensions. Therefore, an organization should take these three dimensions into account, and also learn from the consequences of their actions on others.

This is not easy, especially as the prevailing model of the firm is defined almost exclusively in extrinsic terms, i.e., for economic profit. There doesn't seem to be room for anything else.

Love is frequently forsaken for two reasons: first, defining it as a sentiment, not as a virtue that people must express in their relationships with others; second, mistaking relationships in enterprises as merely contractual. Especially in Spanish enterprises, wishing well upon another person is sometimes viewed as damaging or negative to oneself.

But love is about striving to achieve what is good for others, precisely because it is good for others, not because of any intrinsic or extrinsic motivations, or for any wider consequences to oneself.

Actions that consider others

It must be remembered that organizations are human communities capable of achieving not just external results, i.e., profitability, but internal results of satisfaction and learning, both in technical and moral terms. In this regard, love can and must exist in the enterprise, Argandoña argues.

What forms does love take? Philosophy has traditionally distinguished two types:

- *Need-love or desire-love*. This is the most natural and immediate form of love. We need or desire something; when we have it, we enjoy it. Remuneration, public recognition and camaraderie, for example, are goods that could constitute the basis of need-love or desire-love in the company.
- *Gift-love*. This involves wishing well upon someone else for altruistic, not selfish,

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reasons. In the enterprise, this type of love is a virtue, because a person is rationally considering those actions that are imperative for a future relationship to be mutually beneficial and sustainable for all.

These definitions are related to Christianity, which teaches that human beings live and have their being in relationships of love, freely received from God and therefore freely given to others, unconditionally and for motivations that should extend toward gift-love.

An action inspired by love is ethically excellent when the doer seeks the good of the other, even if they do not know the other person, as in the case of a customer. One may be mistaken about what is actually good for the other person, or the person's reaction may be the opposite of what was expected. But a company should not forsake aiming for "love excellence," even if it sometimes misses the target.

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