

MAXimizing Human and Organizational Potential with The Human Element®

A case study of the impact of 14 years of FIRO and Human Element® based leadership training at Swedish MAX Hamburger Restaurants

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Background of MAX

In 1968, Curt Bergfors and his fiancé Britta Andersson opened the first MAX Restaurant in Gällivare, a small Swedish city just north of the Arctic Circle. Bergfors had determined that fast food was the way of the future five years before McDonald's had even set foot in Scandinavia.

During the seventies, eighties and nineties, MAX expanded their business into hotels, gas stations, gyms and gourmet restaurants to name a few areas, until finally in 2000, deciding to focus on their core business idea, they sold the last of their hotels, and concentrated entirely on the hamburger business. Their vision, "to be the best hamburger chain in the world".

Today MAX has more than 70 restaurants throughout Sweden with the ambition to expand the business to many more countries. In 2008 MAX became the first company in the world to disclose their environmental impact for customers by displaying public CO² declarations for all of their products. In addition to a number of other corporate social responsibility programs, MAX offsets its entire carbon footprint through a tree-planting program in Africa.

MAX attributes much of their success to its training and development practices, in particular in the area of leadership. Following is the Training and Development story at MAX.

MAX Leadership Development – applying The Human Element at MAX

MAX's first corporate training didn't begin until well into the eighties. It started simply, with a corporate training video, but it was, nonetheless, training.

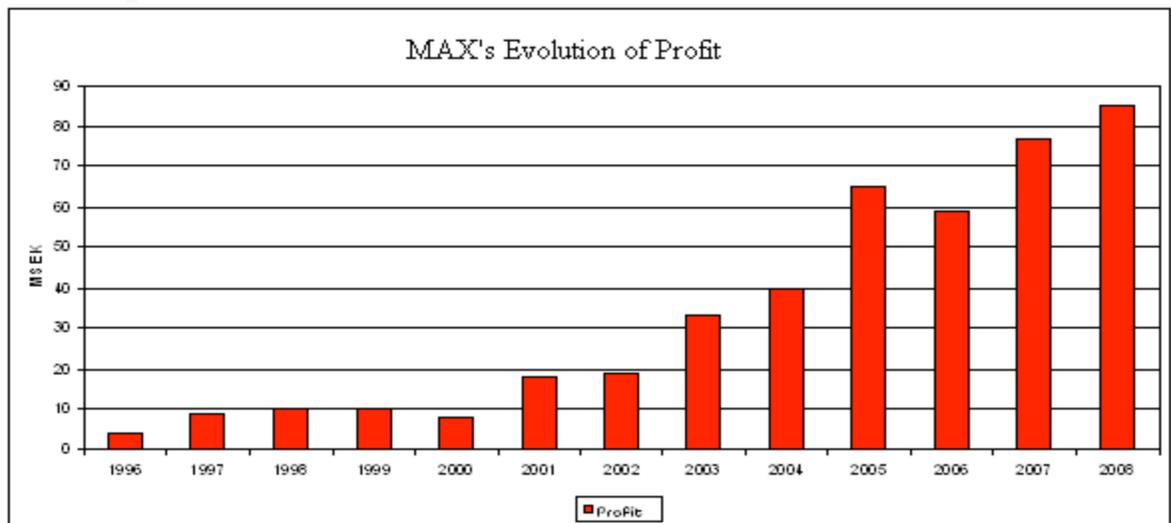
During the nineties, however, MAX's focus wasn't on training, it was on the burger business and the search for a unique concept. Should the burgers be oval? Could MAX be a TexMex fast food chain? Relentless testing of different concepts and a very large menu were high priorities in the restaurants. At the organizational level MAX's focus was



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on expansion, with the goal to open at least five restaurants a year. However, in spite of ample money and a clear vision, that expansion came to a grinding halt in the mid-nineties, unsustainable in the face of high staff-turnover and excessive sick leaves.

This was really the beginning of MAX's focus on leadership. Recognising that the key to a successful restaurant is the restaurant manager, they decided to focus on their restaurant managers. That focus took the form of FIRO (Fundamental Interpersonal Relations Orientation).



MAX's first encounter with the FIRO theory came through the Swedish Development of Groups and Leaders (UGL) training concept. Originally developed for the Swedish Army, UGL went on to achieve widespread success in the Swedish business world.

Hearing of this program, Bergfors signed up his 19-year old son, Christoffer, a student and part-time restaurant employee, for a one-week UGL program with organizational consultant Jan Esensjö who was then offering leadership training in Luleå, home of MAX's administrative headquarters. Favourably impressed at the outcome of Christoffer's UGL experience, Bergfors authorized the 1997 makeover of the MAX School, currently known as the MAX Leadership Academy (MLA), giving carte blanche to MAX's Head of Personnel, Pär Larshans.

Larshans had undertaken the UGL program himself in 1989 during his military service and saw the FIRO theory as a natural foundation for MAX training. Upon meeting in 1997, Larshans and Esensjö hit it off immediately, and together created and launched the first of what was to become the series of Human Element-based training programs which make up the MAX Leadership Academy today. Attendance at an UGL week was also made mandatory for all restaurant managers.



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In addition to this program, Esensjö delivered a teambuilding program to MAX's management team in 2000 using what is known in Sweden as 'group FIRO' (an elaboration of Will Schutz's grope, gripe, group description of group stages) as a framework.

Starting in 2000, MAX entered a targeted expansion phase. To keep up with the resulting demand for new restaurant managers, 2001 saw the launch of MAX's very successful Team 20 project, a selection and training process for high potentials within MAX. Graduates are groomed for managing a restaurant of their own within two years of starting the program. Team 20 recruits approximately 20 individuals from existing restaurant staff every year, of which about 95% go on to complete the program and manage a restaurant of their own.

In 2004 the entire MAX management team participated in an in-house Human Element week. It was also in 2004 that the president, Richard Bergfors, proclaimed MAX a "FIRO company."

Attendance at an Open Human Element week was also made available as an optional development opportunity for restaurant managers.

Meanwhile, MAX's 'unofficial' lead trainer, Jan Esensjö was undertaking his own Human Element journey. Recruited by internationally-owned consulting firm Right Sinova in Stockholm, Esensjö had participated in a Human Element week in 2002 followed by the The Human Element Trainer Certification in San Francisco summer 2003.

With Esensjö's technical expertise, and Larshans support, MAX began incorporating The Human Element into all of their training, integrating the concepts of Openness, Choice and Listening and using Element B in Basic Leadership, Health and Safety, Employment Law and Team 20 programs.

The growth of the chain naturally brought organizational changes and in 2006, former restaurant manager, Jonas Aspenfjäll was recruited into the training area. He completed a Human Element week with Esensjö that year and took over the leadership for MLA in 2007.

Using ideas from Radical Collaboration, a 3-day conflict resolution and negotiations program combining the Human Element and Interest-Based Problem Solving, as a foundation, Radical Cooperation was introduced in 2006. The program included plenty of practice in difficult conversations. The pilot project, with 18 young restaurant managers enthusiastically applying the theory, formula, and structure of Radical Cooperation to the real-life everyday conflicts of running a MAX restaurant, was an overwhelming success. Two days into that first program Aspenfjäll received a frustrated 'red' (Radical Collaboration jargon for 'defensive') phone call from the manager of MAX's newest restaurant in Stockholm who was at his wits' end over what to do about the waste disposal practices of a neighbouring slowfood restaurant which were negatively impacting his own restaurant's sanitation. Aspenfjäll turned the problem over to the group as a practical example for applying their new learning. The group, quite naturally, came up with not one, but several 'green' (collaborative) options for the irate restaurant manager, one of which was successfully implemented.



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Since then, even the District Managers whom the restaurant managers report to have taken this program. This shared awareness around defences, behaviour rigidity and self-esteem, coupled with the common terminology about rigid positions, red and green zones and mutual interests have fostered a climate for quick and effective problem-solving at the operations level of the business.

MAX Leadership Academy turned its focus to the Team 20 program.

Frustrated with the lack of a suitable training vehicle to support Team 20 participants in developing a career plan, MAX met with organizational consultant Susan Petrina Esensjö, also a Certified Human Element trainer, and more to the point, a Certified Implicit Career Search (ICS) trainer to learn about the application of The Human Element in career planning. That was a fateful meeting. Petrina didn't even get a chance to finish her sales pitch as Aspenfjäll who, immediately grasping the concept, eagerly related the tale of his own 'hero's journey'.

The pilot, and first corporate ICS in Sweden, dubbed 'Working on Purpose' by MAX, took place in Kolmården in the fall of 2007 with 27 participants and 4 trainers.

Working on Purpose has gone on to become a mainstay of the Team 20 program. After an intensive three days of self and career exploration, the program culminates on the fourth day with each participant presenting their career plan for a panel consisting of their supervisor plus several representatives from MAX's top management team. It isn't unusual for participants to exit that presentation having just received their first restaurant assignment.

In the spring of 2008 Aspenfjäll and Larshans completed their Human Element Trainer Certification. It's no small commitment, requiring spending two entire weeks, including weekends, at a training facility, with nary a MAX burger in sight! Their personal commitment to The Human Element has been instrumental in the implementation of The Human Element concepts throughout MLA and the organization in general. With the common platform of knowledge of, belief in and even experience in presenting Human Element ideas, implementation of them in MAX has been, for all intents and purposes, a seamless process between management and the organizational consultants delivering the programs. Aspenfjäll had gone on to become a skillful Human Element trainer himself and facilitates or co-facilitates all of the Human Element-based trainings held within MAX.

Since 2008, Module 2, Health and Safety, has been updated to include ideas and visualizations from The Human Element Health module. Plans for the implementation of Module 5, Sustainable Leadership, are underway, a week-long Human Element-based program combined with theory and practical applications from other leadership approaches, targeted to higher level managers. MAX plans to launch this program during 2011. Now, instead of sending their leaders to open Human Element and UGL courses, Max provides all Human Element and FIRO training in-house.



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The Human Element and the Bottom Line at MAX

It is, naturally, impossible to quantify the full impact of The Human Element and leadership development on the bottom line at MAX. There are just too many variables. But what we can say is that MAX is a highly successful, and perhaps even more relevant, a unique fast food company that operates from The Human Element core principles of openness, self-determination, self-awareness and aliveness.

How unique is MAX? Some examples:

- In 2009, for the seventh year running, the ISI Wissing independent study showed that MAX has Sweden's most satisfied customers.
- Up until 1997 the turnover for managers at MAX was about 4 years on average, which is about standard for the fast food industry. Today most managers stay about 10 years, virtually unheard of in the industry.

What happened? A shift occurred between 1999 and 2002 whereby MAX's restaurant manager turnover dropped to almost nil. That shift coincided with, and is likely linked to, the decision in the late nineties to focus on training and development of the restaurant managers. Any new recruits since then have been internal, meaning that they have also undergone the MLA Human Element-based leadership training.

- Since 2003 Max has tripled its size, quadrupled its revenue, and quintupled its profits.
- In order to realize their vision of becoming climate neutral, in 2008 MAX began a partnership with 'The Natural Step', an international not-for-profit organization dedicated to education, advisory work and research in sustainable development.

The result of that:

- The aforementioned public display of the carbon dioxide imprint of all of MAX's products
- Tree planting in Africa which compensates for MAX's carbon footprint
- Wind-powered electricity in all of the restaurants
- It's no surprise that MAX's head cook, in charge of new product development, used to work for the king of Sweden, until he got a better offer...
- The 'fat' account. Introduced in 2003, MAX measured the total amount of fat used in their restaurants, and then began a concentrated effort to reduce it. In 2003, MAX used 83 tons less than the previous year, and by 2006, coinciding with a record financial result, recorded using 160 fewer tons of fat than the previous year.
- MAX also began offering healthier hamburger alternatives in 2003 by introducing the Delifresh burger, and in 2005 eliminating all added trans fats from their menu. The Glycemic Index burger and Glycemic Index bread followed in 2007, with low carbohydrate sides available at no additional cost.
- MAX signed a contract with Samhall (a state-run organization dedicated to integrating disabled individuals into mainstream society), hiring their clients to take care of maintenance in all of MAX's restaurants. The success of that partnership has led to MAX being hallowed as a market leader in integrating disabled



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employees into the workplace. A European Economic Union-sponsored study in 2009, using Element 'O', a FIRO-based organizational climate survey, to compare MAX's organizational climate to that of several other organizations employing or considering employing disabled workers determined that the 'difference that makes a difference' at MAX is their leadership. "MAX has succeeded in combining strong goal orientation, strict routines and very clear roles with a very humane organizational climate, where employees are seen as important individuals". This seems to work exceedingly well for the clients from Samhall.

- In November 2009 MAX was awarded The Green Award for the best 'green' international campaign for their Climate on the Menu campaign. Launched in 2006 in the UK, the Green Awards were set up to recognise and reward creative work that communicates the importance of Corporate Social Responsibility, sustainable development and ethical best practice in any sector and across any marketing discipline.
- In November 2009, just 5 days after the Green Award, MAX also received the award "Visa Vägen" (Show the Way) for its' work in integrating people with disabilities into the labour market. This MAX program was already acclaimed in 2007 as the best program of its type in Europe.
- Lastly, there's Johan Grundstroem, MAX's equivalent to the Supersize Me story. Johan contacted Max to see if they wanted to sponsor his weight loss initiative. Over a 90-day period he lost 30 kg, eating at MAX restaurants every single day (free of charge). Johan recommends the Delifresh burger.

MAX and Sustainability

In 2007 MAX began been working on plans for ensuring the sustainability of the organization. In 2008 they came forth with, not only climate-marked products, but a five-year action plan aiming for a completely sustainable organization by 2030.

This vision is based on three dimensions.

1. The foundation of ethical leadership – with FIRO and The Human Element as the fundament.
2. The dimension of social sustainability entailing how MAX as a company impacts and interacts with society, or in other words, with the people it serves. It includes MAX taking a stand on issues such as child labour, human rights, democracy etc. and being a role model for diversity, by, for example, providing people with disabilities the possibility of having a real job.
3. And through ecological sustainability whereby MAX takes responsibility for its impact on the environment and on health and wellness, with the current focus being the climate question.

MAX's sustainability practices have received international recognition as a much-needed model for creating a more sustainable world from Sir Paul McCartney and Mr. Takejiro Sueyos, a Japanese representative from the United Nations, among others.



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About the Max Leadership Academy

MLA has undergone constant change and development ever since its inception in 1996, but one thing has never changed, that is that FIRO theory has always been the basis for understanding humans and human interaction.

At the start the focus was to teach first line managers the very basics about group dynamics and leadership. Today in 2009, MLA is one of the most respected internal company leadership programs in Sweden, with two tracks ('General' and 'Team 20') and a variety of modules covering:

- human performance topics such as inner leadership, leading others, group dynamics, conflict resolution, negotiations, difficult conversations, crisis management, coaching, health, and career development
- traditional management subjects like labour law, food safety, bookkeeping and financial management
- some not-so-traditional topics such as sustainability, diversity, and corporate social responsibility (CSR).

Max Leadership Academy 2010

Module 1: Basic Leadership

Requirement

Participants must be at the assistant manager level

Objective

The goal is to give young shift leaders a basic but firm foundation to stand on. They should be able to supervise their shift and distribute the different assignments, train their co-workers in: food safety, fire safety and first aid, and have a basic understanding of their restaurants economy and some knowledge of laws surrounding works rights etc.

One important goal is to entice the participants to develop further within Max.

Content

- The history of MAX
- The Company culture
- Basic leadership
- Introduction to FIRO theory
- How to give and receive feedback
- Basic food safety with introduction to food allergies
- Fire safety
- First Aid: CPR, Heimlich etc.



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- Economy: basic restaurant economy (How to follow up results, etc.)
- Basic knowledge of Labour rights

Time

- Three days

Module 2: Healthy Leadership

Requirement

Module 2 is directed towards managers, assistant managers and members of the Team 20.

Objectives

The main goal is to create better managers through helping them increase their self-awareness. MAX believes that an understanding of what makes themselves and others “tick”, will facilitate managers in leading their own groups. More specifically, studying and becoming aware of their own and others psychological defences and behaviour will support them in being more efficient as leaders. Successful completion and integration of module 2 will result in the participant taking on full responsibility for the work environment at their particular restaurant.

Content

- FIRO theory
- The Human Element and health
- Element B: Behavior
- Defences
- Feedback
- Work environment certification
- Economy
- Personnel care – The dialogue with your employees
- The Game; A simulated year in Max as a manager

Time

- Four days

Module 3: Conflict & Negotiation

Requirement

Module 3 is directed at Restaurant Managers and District Managers.

Goals

The goal is for participants to be able to quickly and easily resolve conflicts in the workplace. They will also have a deeper understanding of their behaviour and its origins,



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and a good knowledge of the laws and regulations surrounding employment. They should also be able to listen actively and be good at giving feedback. Participants will leave the course with an even greater degree of self-awareness.

Content

- More of The Human Element
- Radical Collaboration
- Work Rights – advanced
- Difficult conversations
- How to resolve conflicts
- Feedback

Time

- Four days

Module 4: Working On Purpose®

Requirement

Module 4 is directed at Team 20 members.

Goals

Working on Purpose (WOP) was created to attract, retain and develop MAX's high potentials through empowering and supporting these restaurant manager candidates in taking charge of their own careers. It also helps with the transition from shift leader and assistant restaurant manager to restaurant manager, making that process as smooth and swift as possible. Additionally, WOP serves as a sorting tool in the recruiting process.

Content

- Self-discovery
- Defining the contribution each participant wants to make through their work
- Developing a step-by-step career plan
- Identifying the psychological and situational blocks preventing participants from developing their career and creating action plans to overcome them
- Writing a detailed Career Development Profile
- Preparing a detailed career presentation, delivering it to a panel consisting of direct and upper-level managers, and receiving feedback

Time

- Four days



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Module 5: Max Higher Management Course (Sustainable Leadership)

Requirement

Module 5 is directed at experienced or appointed high potential leaders.

Goals

The participants are to develop a high ability to lead others in achieving increased productivity and profit; MAX's managers shall be the best leaders in Sweden.

Content

The module is Human Element-based, as well as introducing some new theories on leadership:

- Inner leadership
- Leading Others
- Group dynamics & efficient teams
- Individual application and development needs

Time

- Five days

