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LIGHTS - Human/Well being

From Hedonic to Eudaimonic experiences of well-being: Towards a purposeful future for customers and employees

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Abstract

Rethinking working and consumption experiences as a means for enhancing the well-being of customers and employees represents a key priority in management. Despite this, managers and researchers primarily emphasize hedonic, pleasure-based well-being experiences, often overlooking the significance of eudaimonic, meaning-based well-being experiences. This impact paper sheds light on why and how organizations can benefit from prioritizing well-being through purpose-driven strategies and meaningful actions, fostering engagement among both employees and customers.

Keywords: Well-Being, Purpose, Meaning, Engagement

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Introduction

In today's tumultuous landscape, practitioners and researchers in management are required to deliver value while also contributing to the well-being of their stakeholders, the society, and the environment. HR and Marketing managers are tasked with developing well-being strategies and actions for both their employees and customers that not only focus on immediate pleasurable feelings but also align with long-term meaningful objectives. Companies who have invested in gamification, entertainment or instant gratifications are now increasingly trying to offer self-fulfilling, purposeful, or impactful experiences. Similarly, scholars in organizational human behavior are urged to embrace transformative research movements by pursuing sustained individual and societal well-being. Beyond the mere consideration of profit, academic communities are called to develop frameworks and initiatives to insuflate responsible research and teaching in management.

This new imperative of fostering eudaimonic, meaning-based over hedonic, pleasure-based experiences of well-being not only leads to employee and customer engagement, advocacy and loyalty but it also upholds moral and ethical integrity that are critical for the future development of businesses. Against this backdrop, this impact paper first unfolds the differences between hedonic and eudaimonic experiences of well-being to argue that organizations should benefit from approaching well-being through Aristotle's notion of eudaimonia. Second, we propose strategic and operational ways for managers and researchers to embrace eudaimonic and meaning-based experiences over hedonic and pleasure based ones.

Differentiating hedonic vs. eudaimonic experiences of well-being

Reconceptualizing workplace and consumption experiences to enhance the well-being of both employees and customers stands as a central focus for managers. However, numerous questions persist: What is the breadth of well-being experiences within organizations? How can different forms of well-being experiences be articulated? What are the effects of such well-being experiences on performance? Which types of experiences should be given priority? This section delves into these inquiries by clarifying the characteristics of well-being experiences and their impact on attitudes and behaviors.

Philosophical and psychological conceptions

The dichotomy between hedonic and eudaimonic well-being is rooted in ancient Greek philosophy. According to the ancient Greek philosopher Aristippus and his school of thought, focused on hedonia, well-being is about living a sensual and pleasurable life and is thus perishable. Conversely, Aristotle led a different school of thought, focused on the study of eudaimonia. This view emphasized the importance of personal growth and living a meaningful life, leading to human flourishing, and profound and long-lasting well-being.

Against this backdrop, modern psychologists have proposed a multitude of conceptual and operational definitions of hedonic and eudaimonic well-being. Nonetheless, there is a general consensus around the core elements associated with each: hedonic well-being

relates to pleasure or enjoyment and the avoidance of pain; eudaimonic well-being to meaning and purpose and the degree to which a person is fully functioning (Ryan & Deci, 2001). Even if psychologists champion either an hedonic or an eudaimonic conception of well-being, most agree that individuals require both hedonia and eudaimonia to flourish.

While hedonic and eudaimonic well-being are often complementary, existing evidence underlines that feeling pleasure and enjoyment does not necessarily go hand in hand with finding meaning and vice versa (McGregor & Little, 1998). Parenthood is often used as an example for this divergence. While the sense of personal purpose and self-growth tends to increase after childbirth, the arrival of a new child is also the source of considerable negative emotions and daily strains. The literature refers to this phenomenon as the “parenthood paradox” (Brandel et al., 2018). In this sense, organizations cannot assume that hedonic and eudaimonic well-being are one and the same and it is important to understand how they can each be separately fostered.

Approaches and differences in management

In the management field, however, researchers and practitioners who approach employee or customer well-being often take a unilateral approach, focusing primarily on the hedonic, pleasure-based forms of well-being. HR managers have often focused on well-being development initiatives in providing opportunities for workers to enjoy themselves while at work. These initiatives include for example access to leisure facilities, fun team building activities or complementary gourmet meals (Hsieh, 2010). Similarly, enhancing positive emotions like pleasure or enjoyment through what marketers often like to call “WOW experiences” is a common view of customer well-being. Proposing an immersive and original experience using virtual reality or gamification may, for instance, provide such immediate positive emotions to customers (Belding, 2018). This exclusively hedonic view overlooks, however, the long-lasting benefits of meaning or purpose.

Research in management, as demonstrated by Diener & Seligman (2004), indicates that well-being experiences contribute to a firm's overall competitive advantage and revenues. However, hedonic, pleasure-based experiences and eudaimonic, meaning-based experiences have differing impacts on employee and customer attitudes and behavior. Hedonic experiences typically pertain to satisfaction, whereas eudaimonic experiences are linked to engagement. Indeed, gamified work technologies or sensorial work atmospheres have shown to positively affect job satisfaction and productivity, while pro-social projects or self-reflective workshops tend to have a more positive influence on job engagement and retention (Grant et al., 2007). This pattern extends to the consumption realm as well. Virtual reality devices or sensorial retail stores contribute to increased customer satisfaction, while social or environmental actions promote customer engagement and advocacy (Williams et al., 2022). Therefore, it is critical for managers and researchers to recognize that workplace and consumption well-being encompasses not only satisfaction through hedonic experiences but also engagement and advocacy through eudaimonic experiences.

Suggesting ways to deliver eudaimonic vs. hedonic experiences of well-being

Promoting enduring engagement through eudaimonic experiences of well-being, as opposed to immediate satisfaction through hedonic experiences, is essential for organizations. However, managers may encounter challenges in achieving these objectives:

How can they align their business's mission accordingly? What meaningful topics should be prioritized? What is the right balance that can be achieved without compromising business objectives? This section offers strategies for implementing eudaimonic, meaning-based approaches and actions while addressing potential challenges or resistance that managers might face.

Deploy a purpose driven strategy

Implementing a purpose-driven strategy requires aligning an organization's goals and activities with a broader mission beyond profit, thereby fostering engagement and advocacy among employees, customers, and stakeholders (Henderson & Steen, 2015). Companies such as Patagonia, Ben & Jerry's, and Tesla have recognized the benefits of integrating environmental and pro-social issues into their core strategies. For example, Patagonia has articulated a purpose statement declaring, 'We're in business to save our home planet.' However, beyond mere rhetoric, a purpose-driven strategy must manifest in tangible actions to counteract the negative effects of empty promises. At Patagonia, employees are encouraged to connect with nature through outdoor activities and engage in environmental projects. Additionally, Patagonia offers customers products designed for longevity and provides services such as repair and recycling solutions.

This purpose-driven approach contrasts with the previous emphasis on unique selling propositions and hedonic, pleasure-based actions that dominated many companies' strategies. Today, employees and customers are urging businesses to prioritize their holistic well-being—physical, mental, and social—and shift their narrative from 'me' to 'we,' emphasizing collaboration over competition for the betterment of society and the environment. Consequently, the formal articulation of a purpose-driven statement must incorporate eudaimonic, meaning-based elements that reflect both individual and collective values. For instance, Starbucks proposes the following brand purpose: 'To inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time,' illustrating the interconnectedness of individuals within their communities.

A compelling purpose statement should therefore encompass the business's unique ecosystem and the values of stakeholders, transcending self-interest (Reiman, 2012). Notably, the identification of purposeful values and statements does not guarantee a successful shift towards a more purpose driven strategy. Top leadership should further be committed to balancing purpose and profit and prioritize long-term value creation over short-term financial gains. For this, organizations should set measurable goals related to social and environmental impact alongside financial targets. Decision making processes and governance structures should also promote ethical behavior and accountability.

Engage in meaningful issues

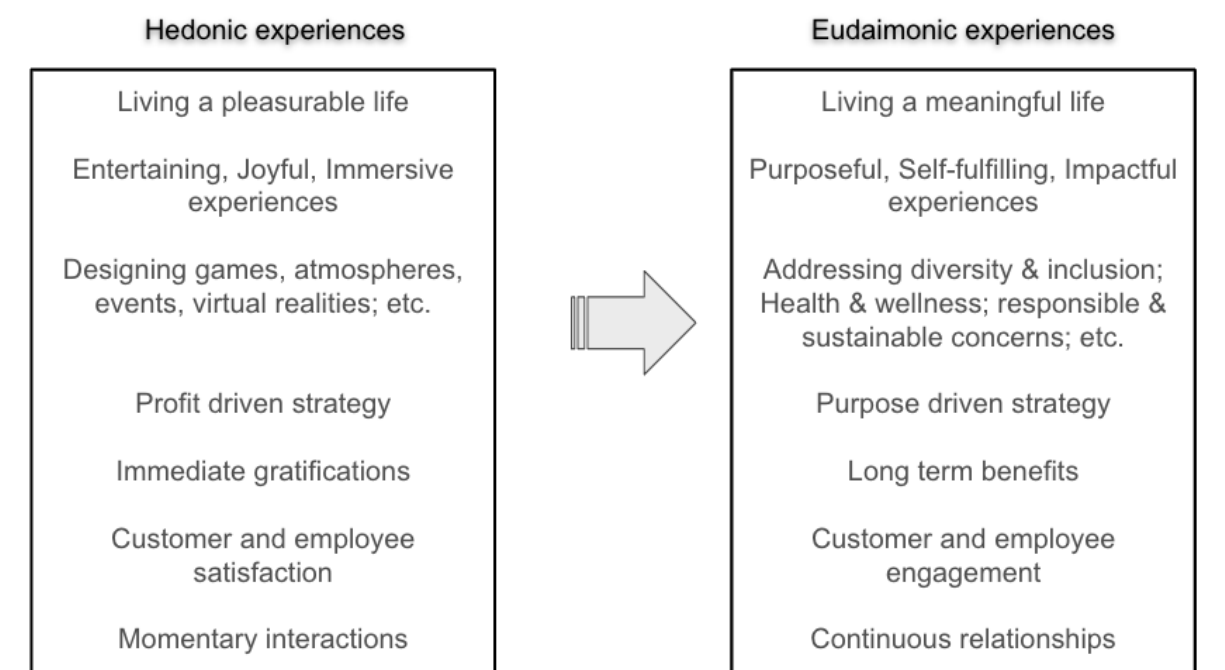
Environmental sustainability, health and wellness, social justice and equity, education and growth, or community engagement and philanthropy are among the eudaimonic, meaning-based issues that organizations may embrace. However, the resonance of these issues can vary significantly depending on the nature of the business activity and its stakeholders. For example, Lululemon Athletica, an athletic apparel company, places a high priority on promoting the physical, mental, and social health of both its employees and customers. This is achieved through initiatives such as providing yoga classes, offering counseling services, and organizing charity runs. On the other hand, Google prioritizes diversity, equity, and inclusion both within and outside the company. This is demonstrated through its support for employee resource groups and its disability support team, which work to foster an inclusive environment for disabled employees and customers.

Importantly, the alignment of these eudaimonic, meaning-based actions fosters engagement that mutually benefits both employees and customers

While employee engagement and customer engagement have traditionally been considered separately, recent attention has increasingly focused on the connection between these two concepts. On one hand, managers have recognized such associations, citing reports like Gallup's annual meta-analysis of employee engagement, which found that business units in the top quartile for employee engagement experienced a 10% higher customer engagement than those in the bottom quartile (Harter et al., 2020). On the other hand, scholars have demonstrated that employee engagement positively influences customer engagement and contributes to brand engagement, loyalty, and advocacy (Wang & Hall, 2023). When employees embrace a purpose-driven strategy and meaningful actions within their company, it follows that they will likely invest higher levels of energy, dedication, and absorption at work (i.e., employee engagement), consequently fostering stronger motivations and positive attitudes and behaviors from the customer side (i.e., customer engagement).

Conclusion

Prominent scholars in the field of positive psychology describe the debate between hedonic and eudaimonic well-being as “both ancient and contemporary and (...) quite heated” (Deci and Ryan, 2001; p. 148). In this impact paper we argue that while management studies pay increasing attention to well-being as a subject of study, their focus has been predominantly hedonic, overlooking the importance of eudaimonic, meaning-based benefits. While being strongly correlated, hedonia and eudaimonia have unique effects on both workers' and customers' attitudes and behaviors. Both employee and customer engagement, loyalty and advocacy should benefit from implementing purpose driven strategy and meaningful actions addressing mutually individual, societal and environmental issues. The following figure illustrates those elements.



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