

## **A DISCUSSION WITH MEADWESTVACO EXECUTIVE MARK WATKINS, SENIOR VICE-PRESIDENT OF TECHNOLOGY AND FORESTRY**

- Company: MeadWestvaco  
Global leader in packaging and packaging solutions; also businesses in specialty chemicals, community development and land management.
- Respondent: Mark Watkins, Senior Vice-President of Technology and Forestry.  
Responsibilities include manufacturing technology, forestry operations and research, corporate engineering, safety, health, environment, and sustainability.
- Interviewer: Andrew C. Wicks

### **BACKGROUND**

Background: Andrew C. Wicks (Darden School, University of Virginia) and Jeffrey S. Harrison (Robins School of Business, University of Richmond) asked seven executives from six major companies engaged in a variety of industries to read and then respond to an academic article they had published on measuring performance from a stakeholder perspective. The Harrison and Wicks paper is called “Stakeholder Theory, Value and Firm Performance.” It was published in *Business Ethics Quarterly* in January 2013. The authors started the discussions with a list of questions, but then also asked follow-up questions and allowed executives to expand on topics in which they were particularly interested.

What follows is the transcript of one of the interviews in its complete form. Andrew and Jeffrey lightly edited the interviews and eliminated things not pertinent to the study (such as pleasantries) and they also allowed the interviewees to make clarifications prior to publication. The most interesting statements are in bold.

A related paper also included in this repository is called “A practitioner critique of a conceptual paper on measuring value and performance.” That paper includes a more detailed examination and evaluation of what they found across all the interviews.

## OVERALL REACTIONS

Wicks: Reactions to the paper?

Watkins: The paper is academic in nature so for those of us who've been away from school and in business for a while, it is a bit of a heavy read.

I agree that there is a value to the concept of the triple bottom line. There are other important measures in addition to financial return. I found the nature of what you are talking about consistent with what we see in business.

## STRENGTHS OF THE PAPER

Wicks: Anything in particular you liked about the paper?

Watkins: I like when you make the point that while some people have gotten enamored with the social value dimension that we need to keep in mind that the financial aspect of this is incredibly important. The other measurement dimensions are important, but the risk/reward opportunity is different.

**We need to keep in perspective the relative value of the various factors. Important non-financial factors selected can often be translated into financial value estimates.**

I did like table 2. In the table, you propose potential measurements for the other important dimensions. Those specific examples are very helpful to me in driving understanding of your concept.

## WEAKNESSES OF THE PAPER

Wicks: Any specific weaknesses?

Watkins: I don't think that I saw any weaknesses.

I was smiling at one point while reading it. **It made me recall that years ago I had a conversation with my boss, trying to convince him of the importance of happiness in business. I don't think I changed his mind at the time. So, I was thinking I ought to send him a copy of this paper in which you explore happiness as a performance measure. Perhaps I'd be vindicated. I haven't seen anybody write about the dimension of happiness in business. I think it's a rare concept in business thinking but one that I find interesting to explore.**

Wicks: I was less familiar with the happiness literature myself. I have colleagues who study organizational psychology. There are some really interesting things here. What do business and happiness have in common?

### **ARE FIRMS MOVING IN THE DIRECTION THE PAPER DESCRIBES?**

Wicks: Are firms moving in the direction the paper describes?

Watkins: We see a wide spectrum of customers, suppliers and competitors in this regard, so I've got to be careful about drawing broad conclusions. While some of each group are still very traditional, **I would say that the general trend over the last 10 years has been that more firms are paying attention to these issues.**

### **IS YOUR FIRM MEASURING PERFORMANCE MORE BROADLY?**

Wicks: Is your firm moving in the direction of measuring performance more broadly...anything specific?

Watkins: **Yes we are. We're exploring how we want to measure employee satisfaction and organizational effectiveness. We're doing some work on that right now.**

We've changed how we think about measuring customer satisfaction from ten years ago. Back then, we had a formalized customer satisfaction survey process that we initiated with selected customers. Now we get insights from customers' surveys that they send to us. **There's been significant growth in customer surveys requested of us in the last five years. They contain a wide range of environmental and social responsibility questions.**

We're also getting more and more engaged in corporate social responsibility assessments with our customers.

What we're doing with evaluating suppliers and employees is pushing harder than we did a decade ago.

Wicks: Anything more specific about how you're looking at those areas? Measures you're using? Surveys? Meaningful input that helps you think more about those relationships?

Watkins: As I mentioned earlier, **we have structured surveys for employee groups and we're running those efforts right now.**

Regarding suppliers, **for over five years, we've had corporate social responsibility audits with follow up discussions and expectation setting if needed.** In developing regions of the world where corporate social responsibility is a greater concern, we have an auditing firm that does audits for us on selected suppliers.

### **HOW WOULD YOU HAVE WRITTEN THE ARTICLE DIFFERENTLY?**

Wicks            How would you have written the article differently?

Watkins:        That takes a little reflection.

**Regarding the presentation, perhaps try to make the writing a little more understandable for us non-academics.**

On the substance, perhaps more specifics and examples would add clarity. When you did use examples and specifics, such as Table 2, I found it particularly helpful since the subject is so theoretical.

You mentioned that, for this purpose, an executive summary is not allowed. But, summarizing things in a succinct fashion at the end would be helpful if that format is allowed.