Which One
Is
The
Living
Teddy Bear ?

Agenda - A Tall Order

Organizational Health

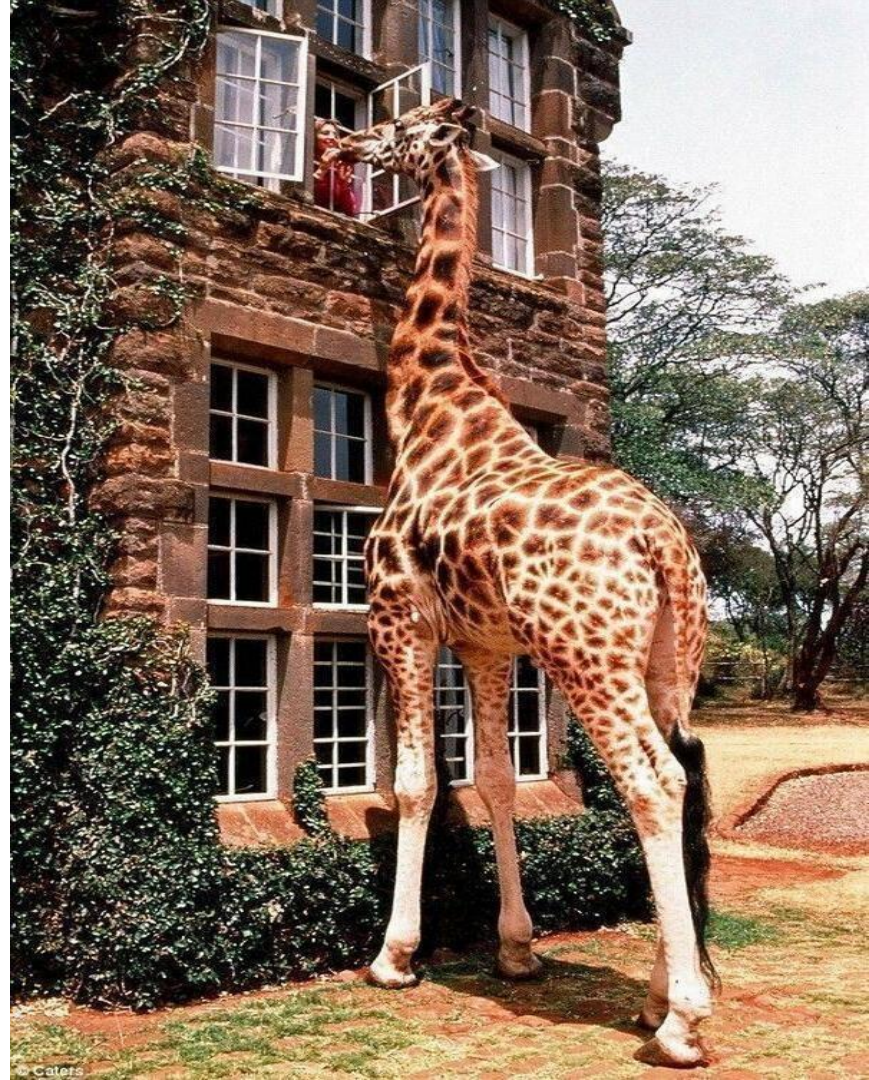**Leadership**

Culture

Employee Wellbeing

Healthcare Costs

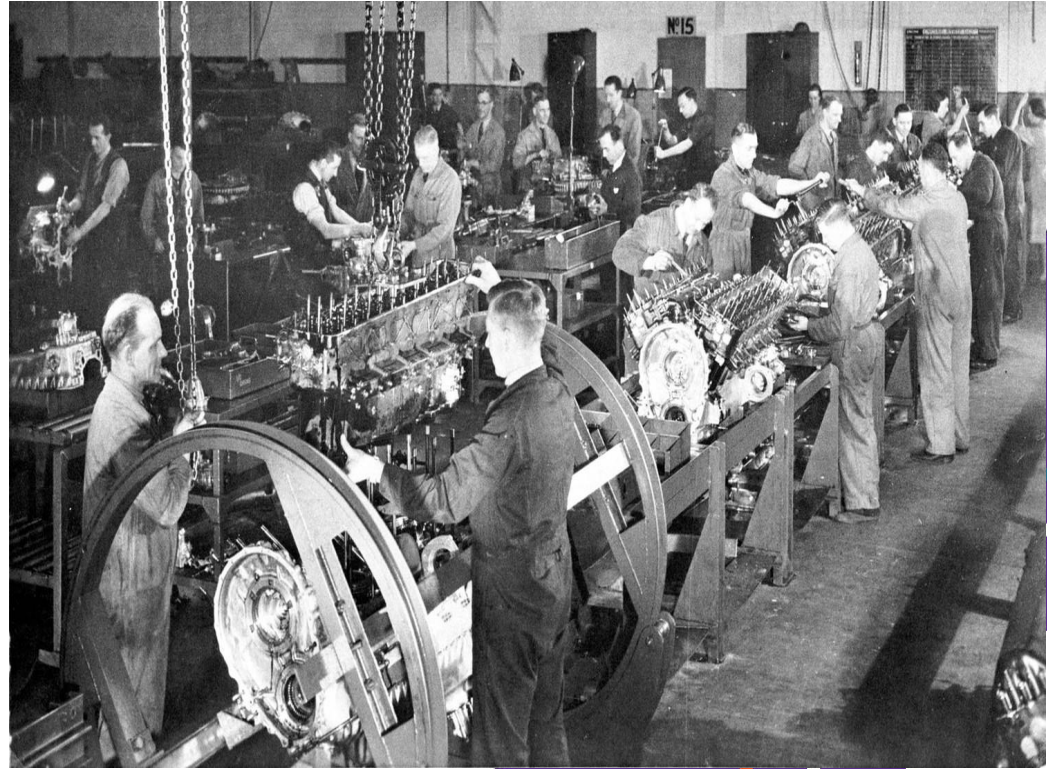**Social Determinants**

~~Mideast Peace~~

Agenda - A Tall Order

"Rehumanizing" The Workplace

Organizational Health

Leadership

Culture

Employee Wellbeing

Healthcare Costs

Social Determinants

“**Just How Things Are Done Around Here"**

State of The American Workplace
"A Humanity Crisis"
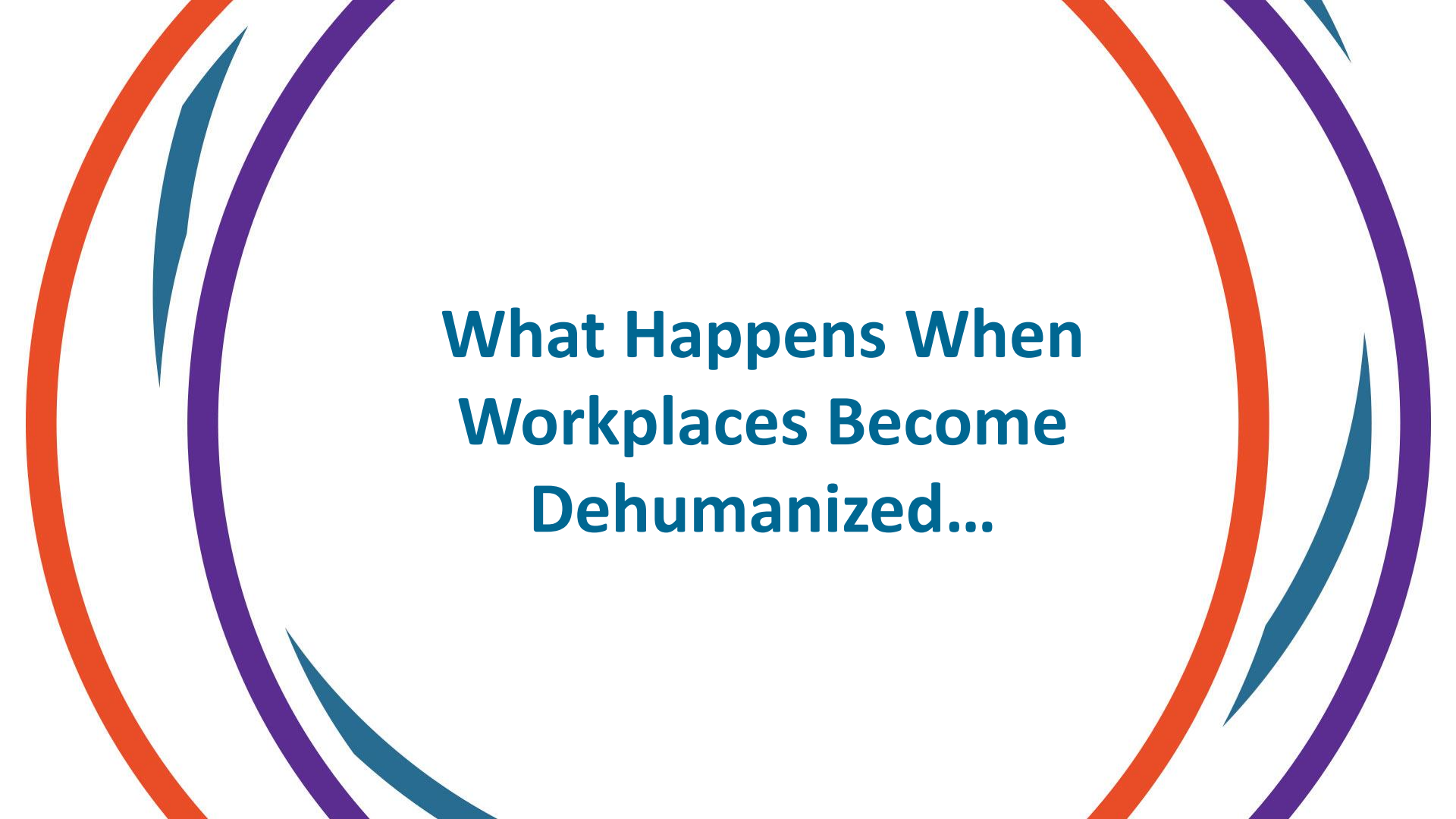
$450-$550 billion dollars a year

"7 out of 8 people in our workforce go home every day feeling they work for a company that doesn't care about them."

Bob Champan (CEO, Barry-Wehmiller)

What Happens When Workplaces Become Dehumanized...
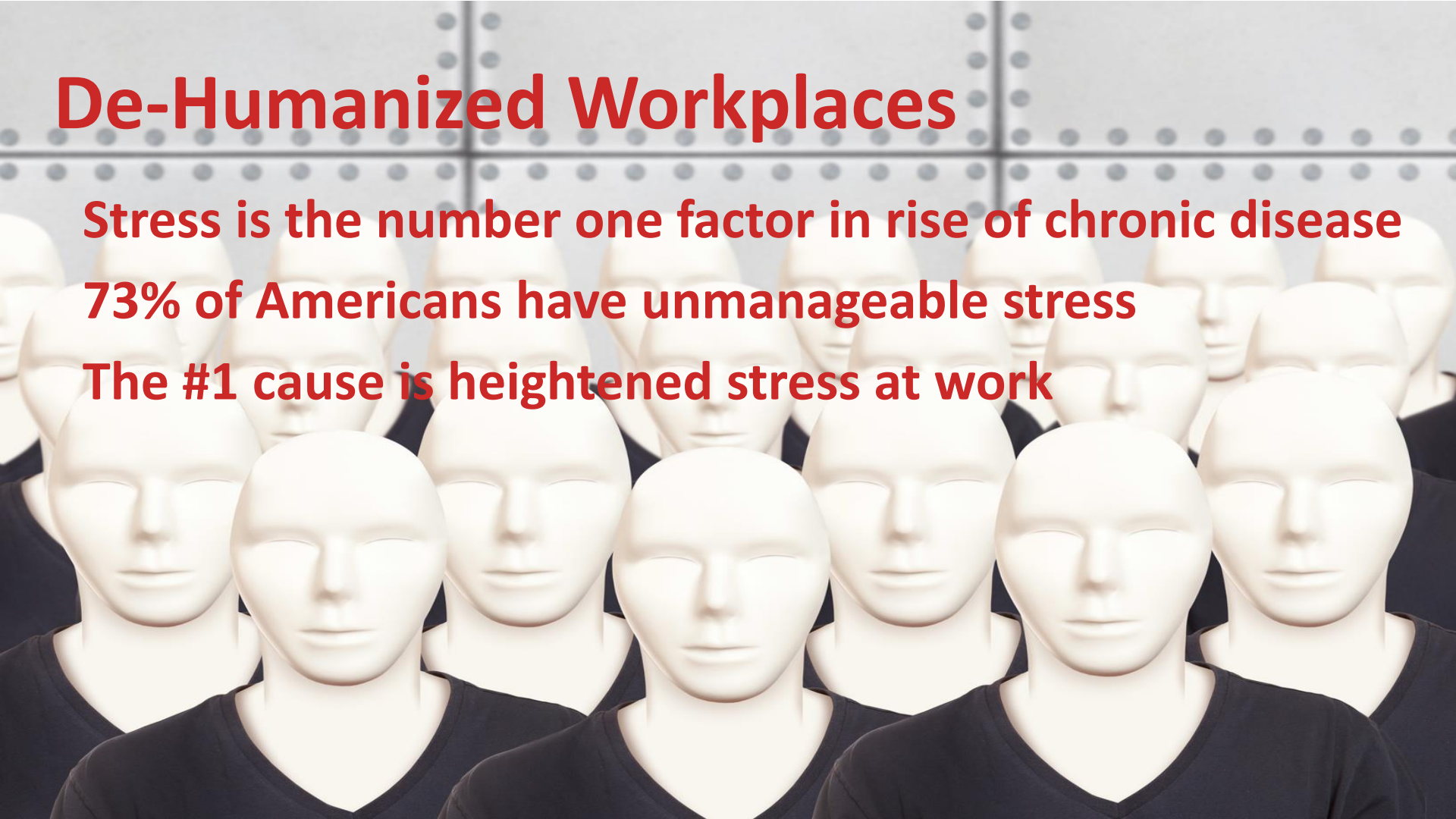
Global Epidemic - "Death By Overwork"

Japan KAR●SHI 過労死

China Guolaosi

600,000 people per year!
1600 per day!

"Right to disconnect"

U.S. - Cost of De-Humanized Workplaces

- $180 billion in additional healthcare expenditures

- Can cause up to **120,000 excess deaths** per year

- **Fifth leading cause of death**

DYING FOR A PAYCHECK

How Modern Management Harms Employee Health and Company Performance—and What We Can Do About It

JEFFREY PFEFFER
STANFORD GRADUATE SCHOOL OF BUSINESS

U.S. - Cost of De-Humanized Workplaces

Negative job conditions affect individual's:

- Drinking

- Smoking

- Drug abuse

- Overeating

Source: Jeffrey Pfeffer (2018), *Dying for a Paycheck*
https://www.youtube.com/watch?v=LL-pkKEHMkE

A Humanity Crisis

A Dangerous Myth

1%

Likelihood of being fulfilled in life if not fulfilled at work.

IMPERATIVE.

Imagine a World Where…

Workplaces are **more human-** so that everyone **can bring their best selves to work, find fulfillment and be able to show up authentically human, and can go home the best version of themselves each day.**

The Thriving Organization Pyramid™

Employee Wellbeing

Wellbeing Programs and Resources
Evidence-based, voluntary and comprehensive: career/purpose, financial, physical, emotional, social and community.
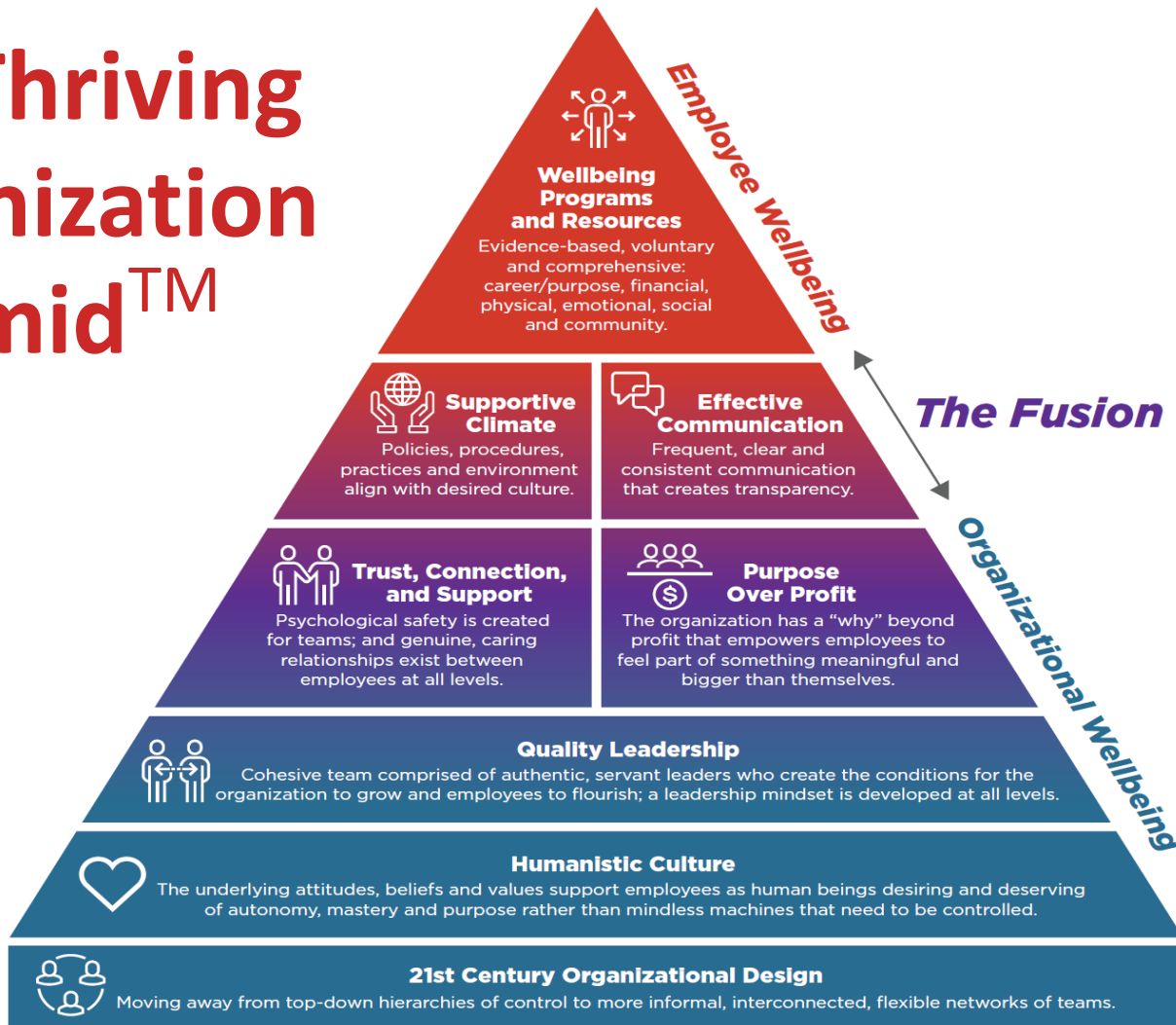
The Fusion

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Policies, procedures, practices and environment align with desired culture.

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Frequent, clear and consistent communication that creates transparency.

Trust, Connection, and Support
Psychological safety is created for teams; and genuine, caring relationships exist between employees at all levels.

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21st Century Organizational Design
Moving away from top-down hierarchies of control to more informal, interconnected, flexible networks of teams.

2 Biological Imperatives of Life

1. **Life must be free to create itself** - something is "alive" if it has the capacity to create itself: **"autopoiesis"**

2. **Life is systems seeking** - there is **the need to be in relationship**

Source: Margaret Wheatley, *Finding Our Way: Leadership for an Uncertain Time*

Self-Determination: At The Root of Life
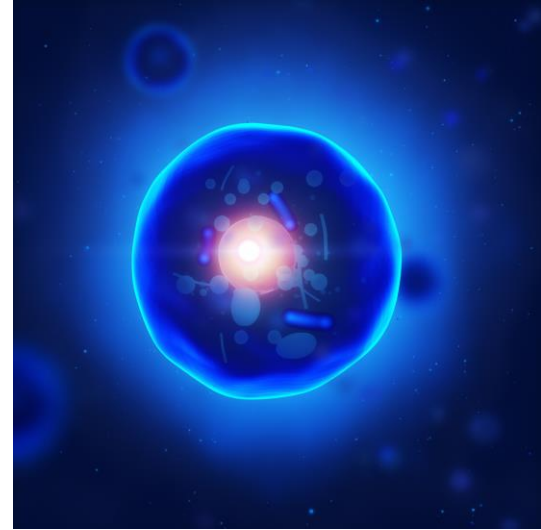
Self Organizing

Self Managing

Self Determination - At The Root of Life

Thousands of chemical processes happening concurrently and in coordinated fashion.

100 billion neurons processing **400 billion pieces of information** every second.

Self Determination - At The Root of Life
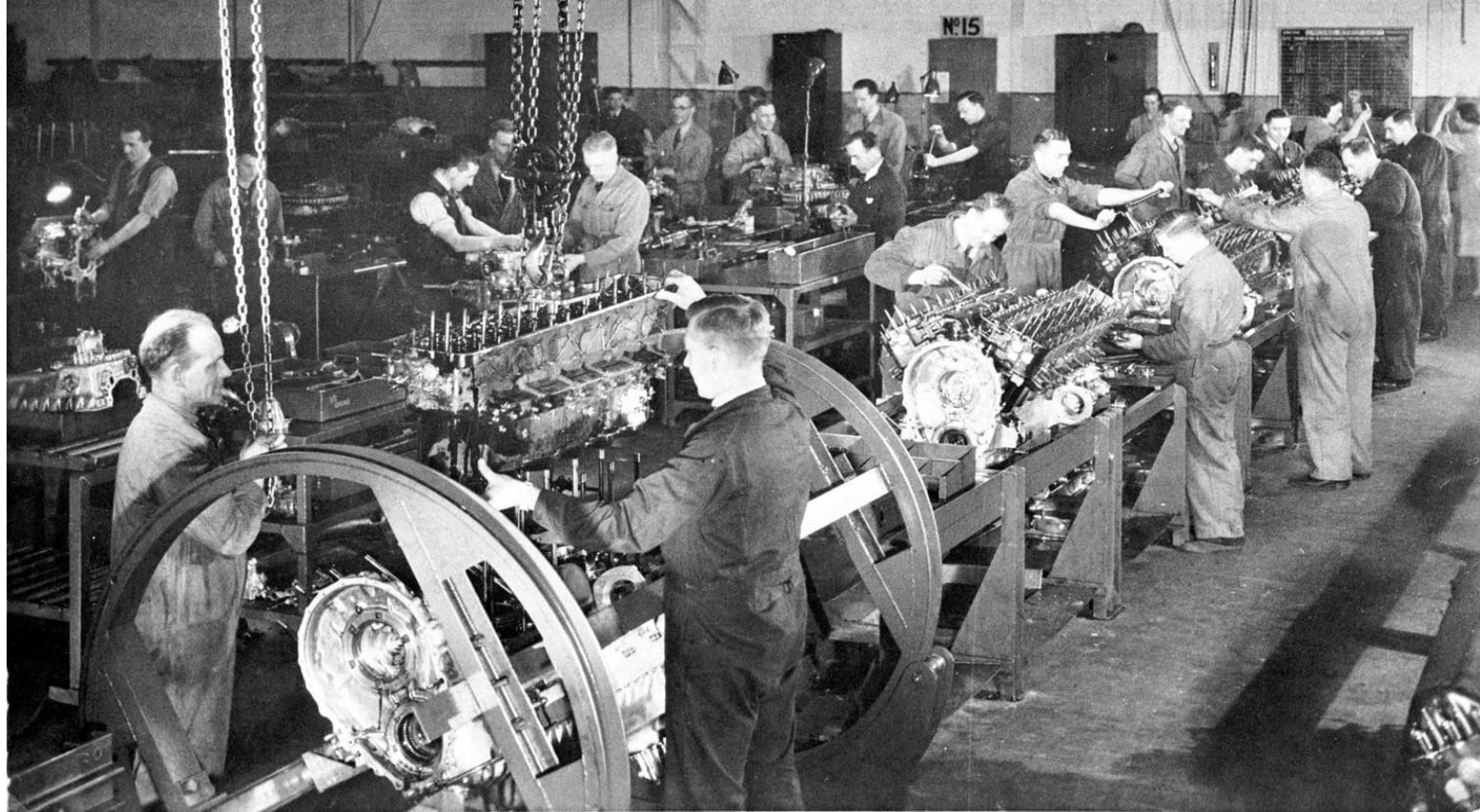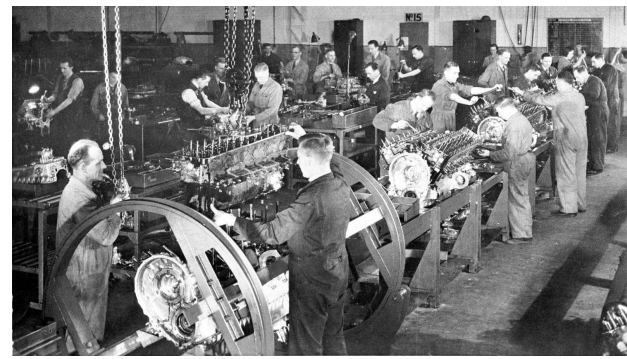## Humans - Complex Living Systems

Scientific Management

a.k.a.
Control
the
Machine

Scientific Management
Control the Machine

"Each man must give up his own particular way of doing things, adapt his methods to the many new standards and grow accustomed to receiving and obeying instructions, covering details large and small, which in the past had been left to individual judgment. **The workmen are to do as they are told.**"

C. Stephen Byrum. "From the Neck Up: The Recovery and Sustaining of the Human Element in Modern Organizations." 2006

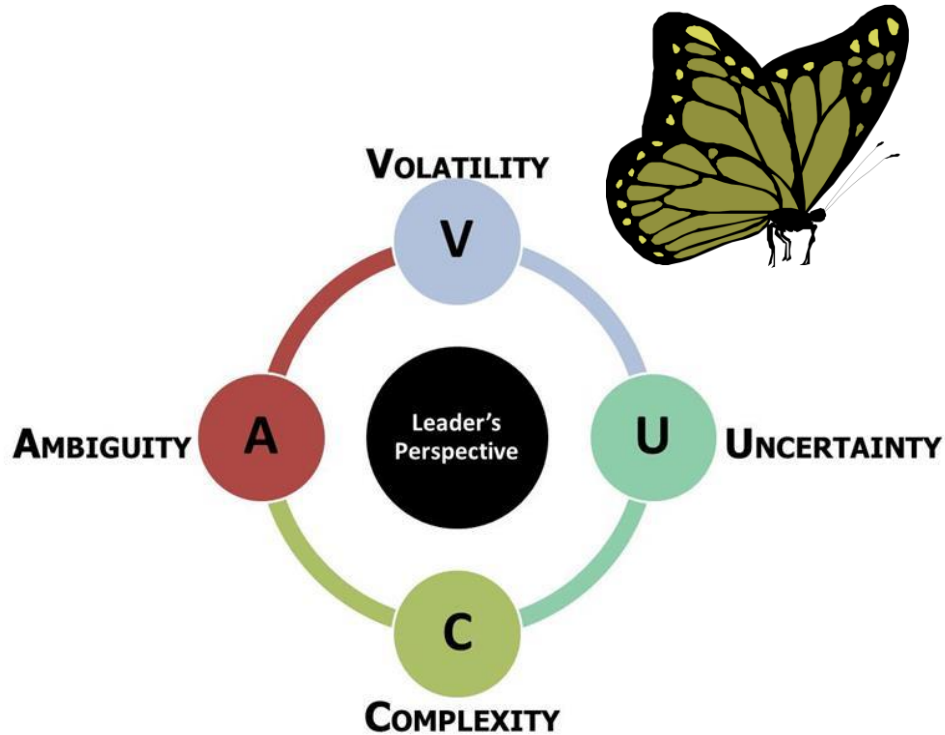# Rethinking The Nature of Organizations
As Living Systems...

These days, a different ideal for organization is surfacing. We want organizations to be **adaptive, flexible, self-renewing, resilient, learning, intelligent** - attributes found only in living systems. The tension of our times is that **we want our organizations to behave as living systems, but we only know how to treat them as machines."**

"VUCA" - The New Disruptive Reality

- **Demographic Upheavals**

- Digital Technology
  Social Media

- **Rate of Change**

- New Social Contract

VOLATILITY
V

AMBIGUITY A — Leader's Perspective — U UNCERTAINTY

C
COMPLEXITY

https://www.youtube.com/watch?v=9yg_BLNSYZU (5 min.)

# The Future of Business - Is Now!
Deloitte Global Human Capital Trends - 2016

"The days of the **top-down hierarchical organization are slowly coming to an end**, but changing the organizational chart is only a small part of **the transition to a network of teams**. The larger, more important part is to change how an organization actually works."

Functional Organizational Structure
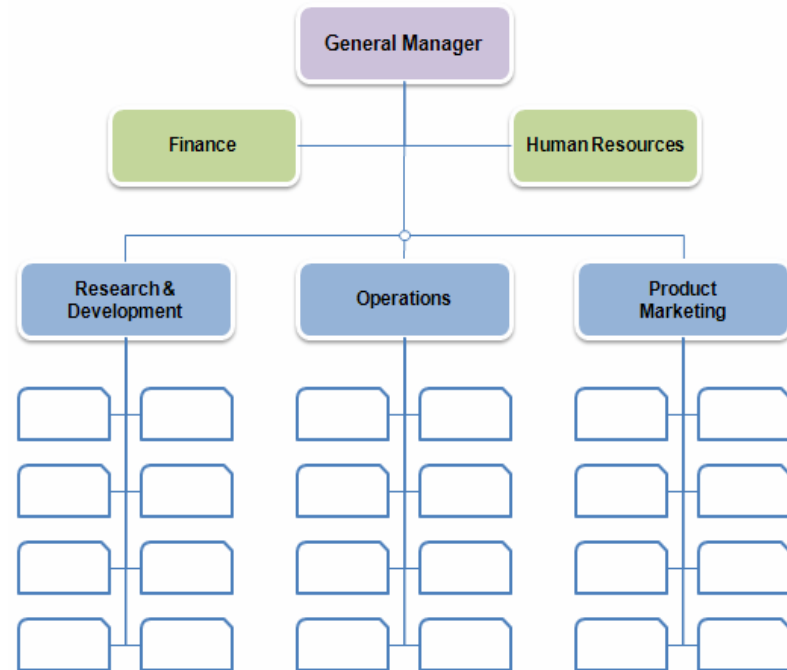
Organizational Health
In order For an Organization to Succeed

SMART

- Strategy
- Marketing
- Finance
- Technology

HEALTHY

- Minimal Politics
- Minimal Confusion
- High Morale
- High Productivity
- Low Turnover

PATRICK LENCIONI

BEST-SELLING AUTHOR OF *THE FIVE DYSFUNCTIONS OF A TEAM*

THE ADVANTAGE

WHY ORGANIZATIONAL HEALTH TRUMPS EVERYTHING ELSE IN BUSINESS
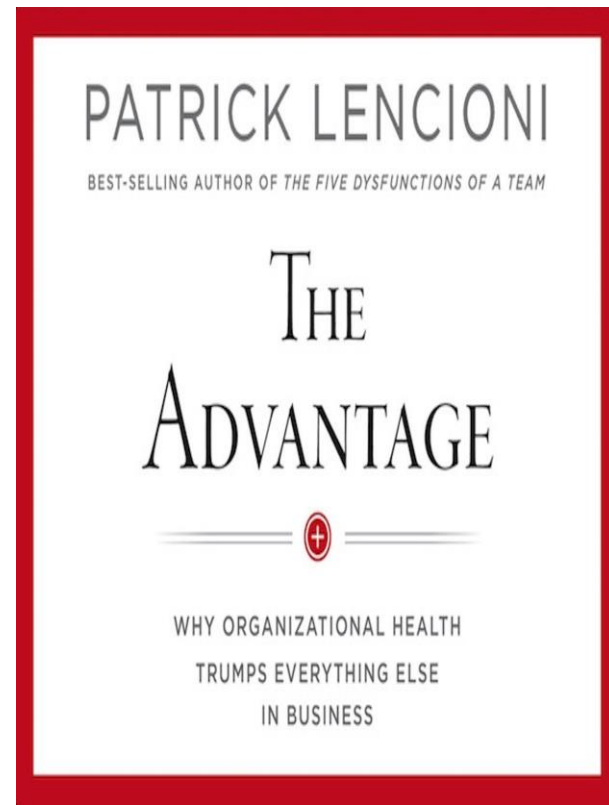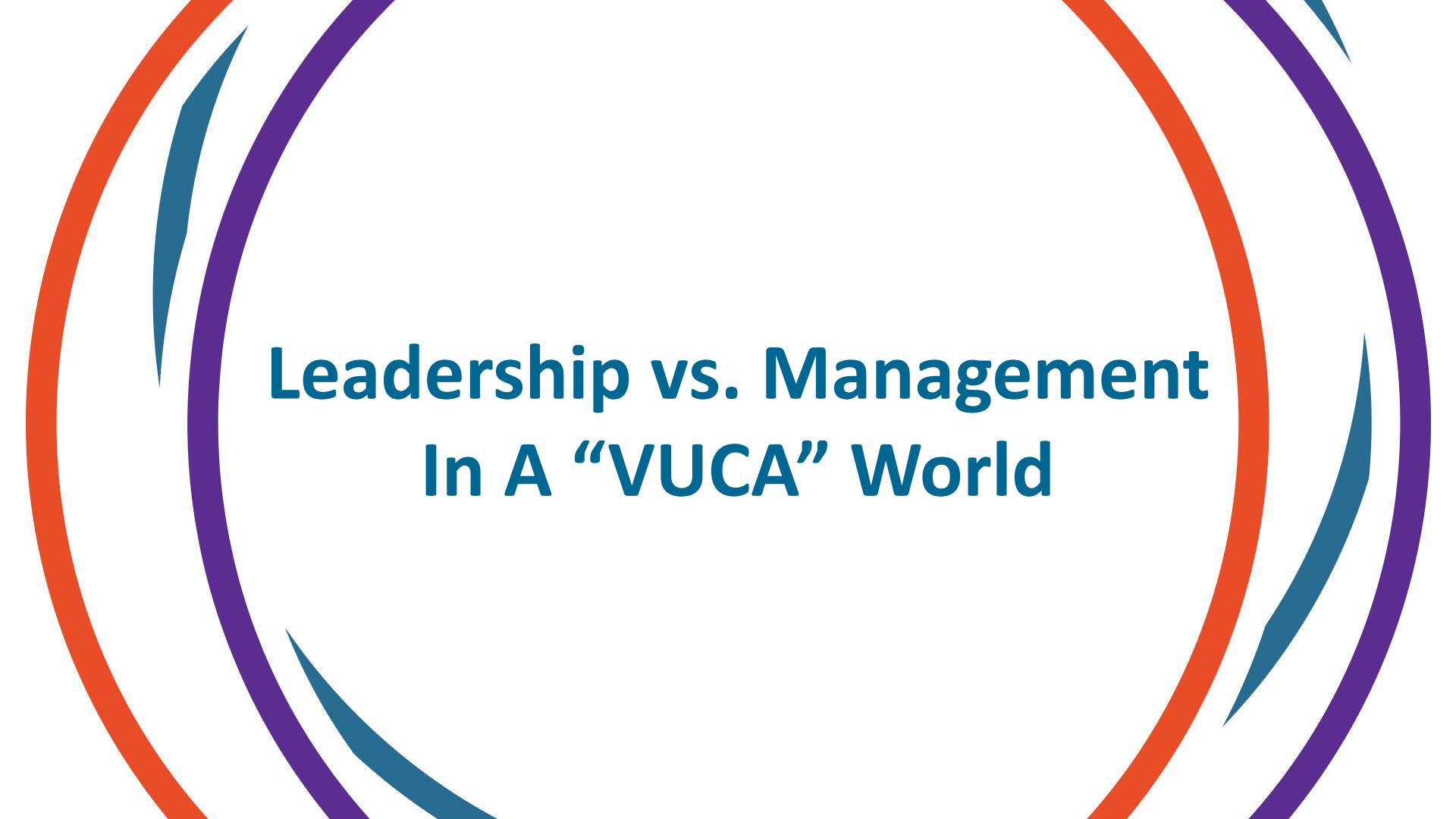
Organizational Health
In order For an Organization to Succeed

"I've become absolutely convinced that the seminal difference between successful companies and mediocre or unsuccessful ones has little, if anything, to do with what they know or how smart they are; **it has everything to do with how healthy they are**."

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THE ADVANTAGE

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IN BUSINESS
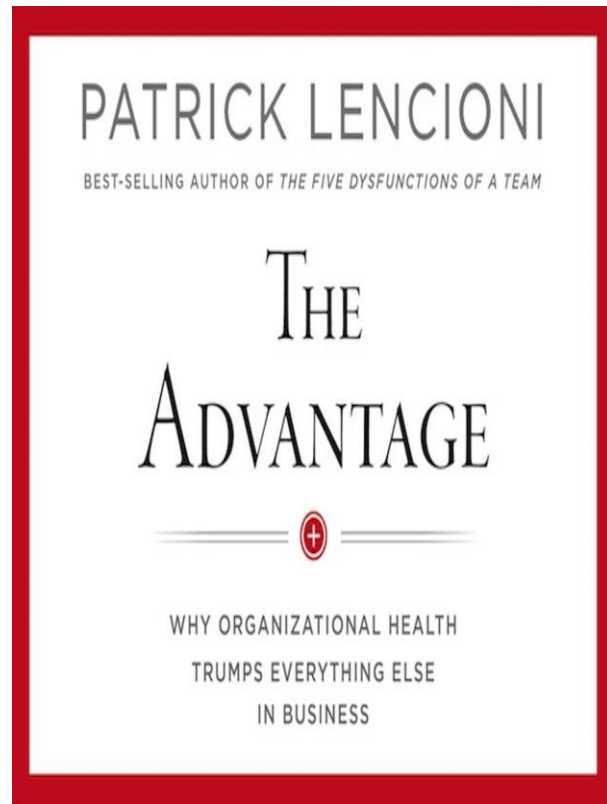
https://www.youtube.com/watch?v=PdPYUJaLvzs

Consequences of Jerk Bosses

- Reduced productivity and commitment to their employer
- **Heightened depression, anxiety, anger, irritability, and burnout**
- Difficulty concentrating at work
- Sleep disturbances
- Reduced job satisfaction

https://www.youtube.com/watch?v=_LdSB-udpco

THE NO ASSHOLE RULE

Building a Civilized Workplace and Surviving One That Isn't

#@?!#
delete

ROBERT I. SUTTON, PHD
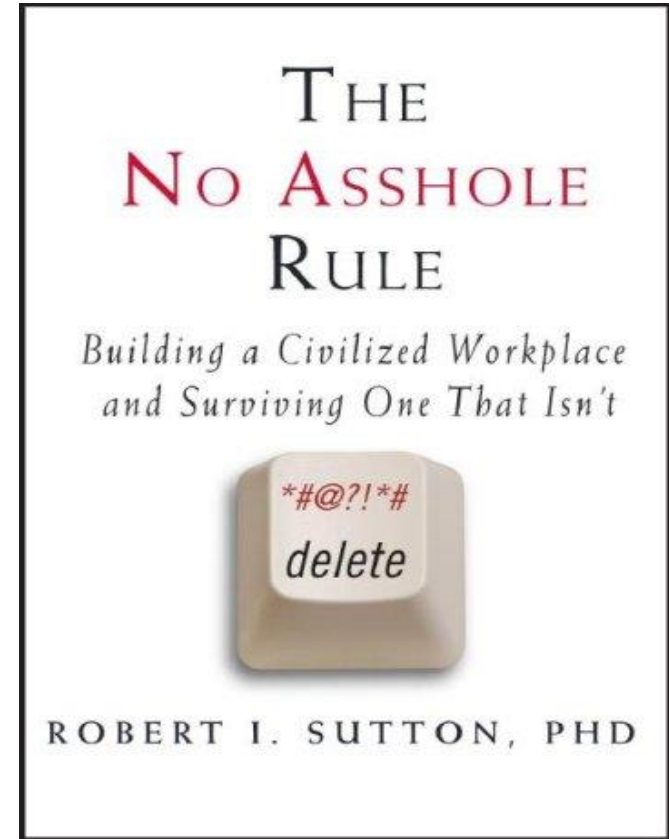
Failing to Develop Leaders

- Most leaders don't receive training until **10 years into their careers**

- **47% of new supervisors receive NO leadership training**

- Only 7% of organizations invest in mentoring & coaching

- 2 million Millennials promoted into leadership positions each year

Zenger Folkman (2014), *Are You Starting Too Late*?; CEB/Learning and Development Roundtable Study

The Work of Leadership…

…We have to go through this transition where we are no longer responsible for the results; **we now become responsible for the PEOPLE who are responsible for the results**. We are no longer responsible for taking care of the customer; **we're now responsible for the PEOPLE who are taking care of the customer. THIS is what leadership is."**

Simon Sinek

Management vs. Leadership

Management:
The manipulation of others for personal gain

Leadership:
The awesome responsibility to **help those around us rise**

Simon Sinek

Managing "Upside Down"

Rather than telling employees what to do
Ask them what they think needs to be done

Rather than handing objectives to employees
Ask employees to set them

Rather than giving employees performance feedback
Ask them how they think they are doing

Rather then telling employees how to fix a problem
Ask them what they think they should do to fix it
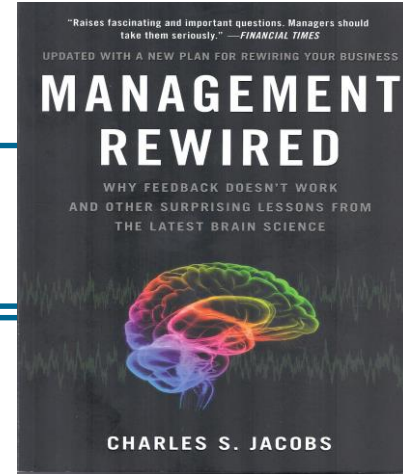
Redefining Leadership

"Leadership is about becoming the best version of yourself in order to maximize your positive impact on the world."
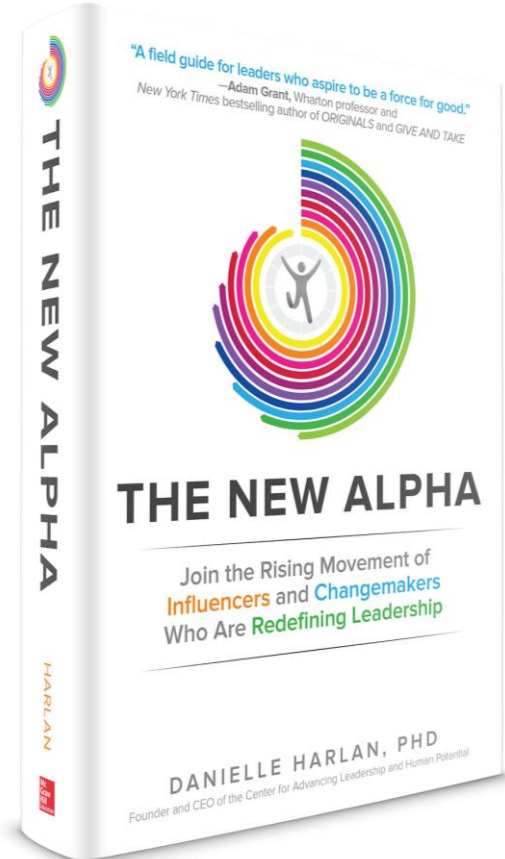
Redefining Leadership

The Old Alpha - Achievement

The New Alpha

- Achievement

- **Fulfillment -** happiness/wellbeing

- **Impact -** making a difference beyond ourselves (personal excellence, relationships, character and ethics)

https://www.youtube.com/watch?v=6sjrMPwT0tA
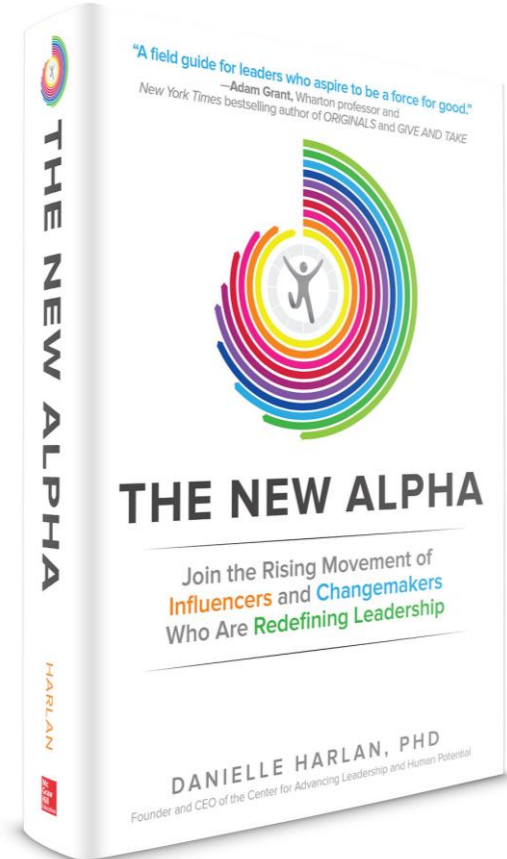
Sustainability: Developing a Leadership Mindset in Everyone

1. **Enhancing Self-Awareness**

2. **Build Effective Thinking Skills**

3. **Develop Quality Relationships**

4. **Growing The Organization**

Leadership is a BEHAVIOR, Not a Title

Distinguishing Culture From Climate

Culture Defined

Culture is the deeper level of basic assumptions and beliefs that are shared by members of an organization, that **operate unconsciously** and define in a basic **'taken for granted'** fashion an organization's view of its self and its environment.

Edgar Schein, Ph.D.

Workplace Culture?

- Organization provides anti-fatigue mats, sit-to-stand workstations, ergonomic evaluations and onsite fitness classes.

- Fresh fruits and veggies are delivered 2x/week and your organization has a healthy food policy for events.

- Management team is expected to promote safety & wellness programs and participate in events.

- Flexible work schedules allow for supporting work-life integration.

Workplace **Culture** vs. Workplace **Climate**

Healthy Workplace Culture

- Employees understand how work fits with vision/purpose

- Cohesive Leadership

- Physical & Psychological Safety

- Meaning and Purpose

- Clear rules apply to everyone

- Clear communication prized

Psychological Safety

"No vulnerability, no creativity. No tolerance for failure, no innovation. If you're not willing to fail, you can't innovate. If you're not willing to build a vulnerable culture, you can't create.

~Brene Brown, *Braving the Wilderness*

Healthy Workplace Culture
The Key To Organizational Effectiveness

HEALTHY

- Minimal Politics
- Minimal Confusion
- High Morale
- High Productivity
- Low Turnover

"Culture eats strategy for breakfast …operational excellence for lunch…and everything else for dinner."
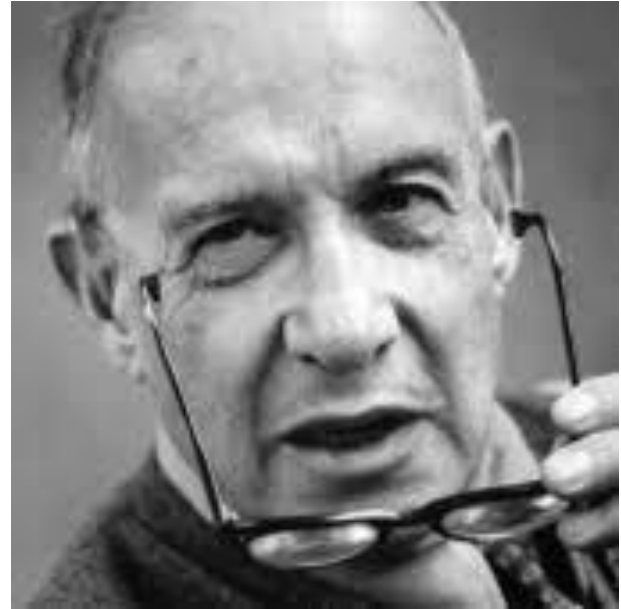
Peter Drucker

Healthy Workplace Culture
The Key To Organizational Effectiveness

The Firms of Endearment (FoEs)

- 28 *widely loved* companies

- **Humanistic (value for ALL stakeholders)**

- **Company culture is the biggest competitive advantage**
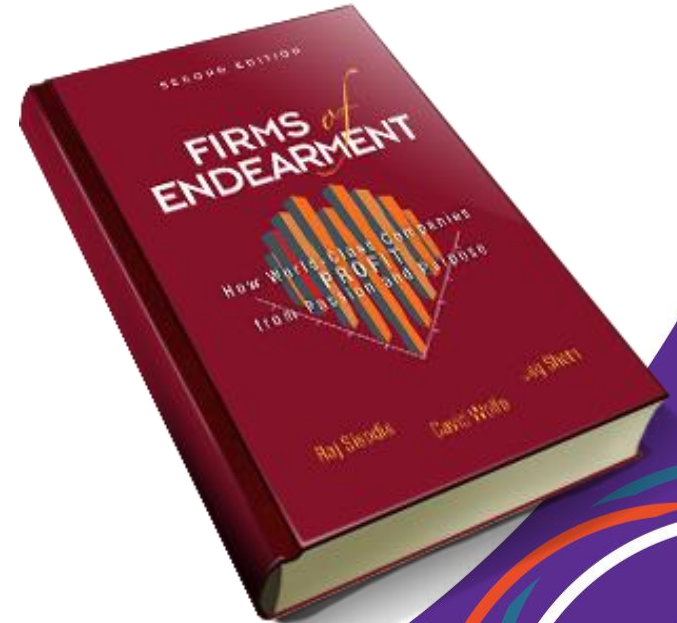
Firms of Endearment (FoEs)
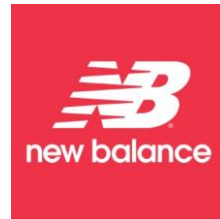
FoEs vs. *S&P 500*

Investor return over 15 years

S&P 500	U.S. FoEs
118%	1681%

More than an 14-to-1 ratio!
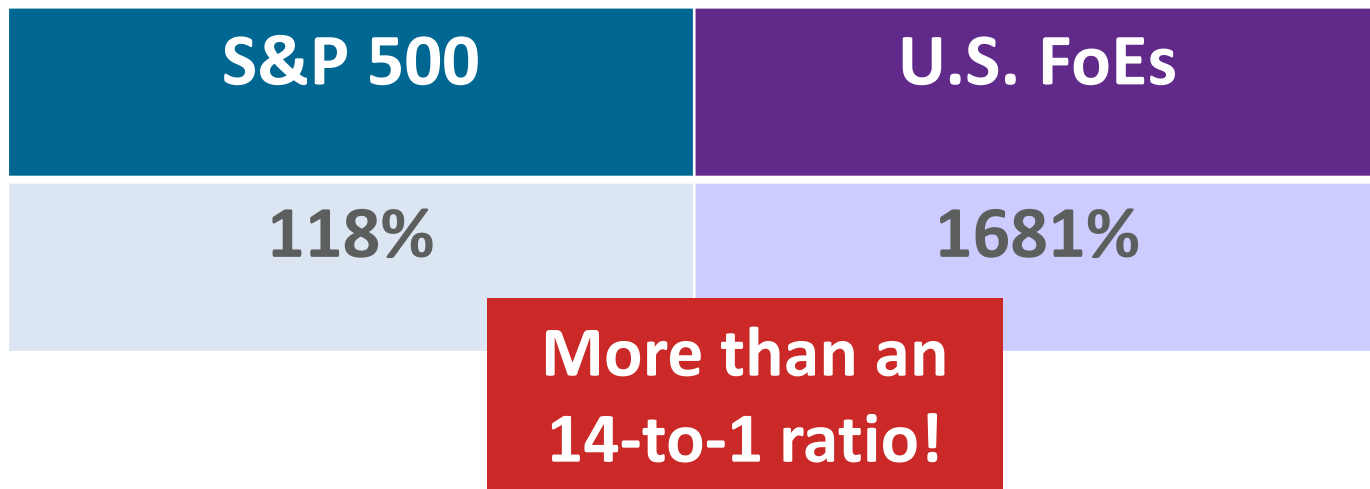
Conscious Capitalism

"This is what we know to be true: **business is good** because it creates value, **it is ethical** because it is based on voluntary exchange, **it is noble** because it can elevate our existence, and **it is heroic** because it lifts people out of poverty and creates prosperity."

PURPOSE

CULTURE

CONSCIOUS BUSINESS

STAKEHOLDER

LEADERSHIP

Conscious Capitalism
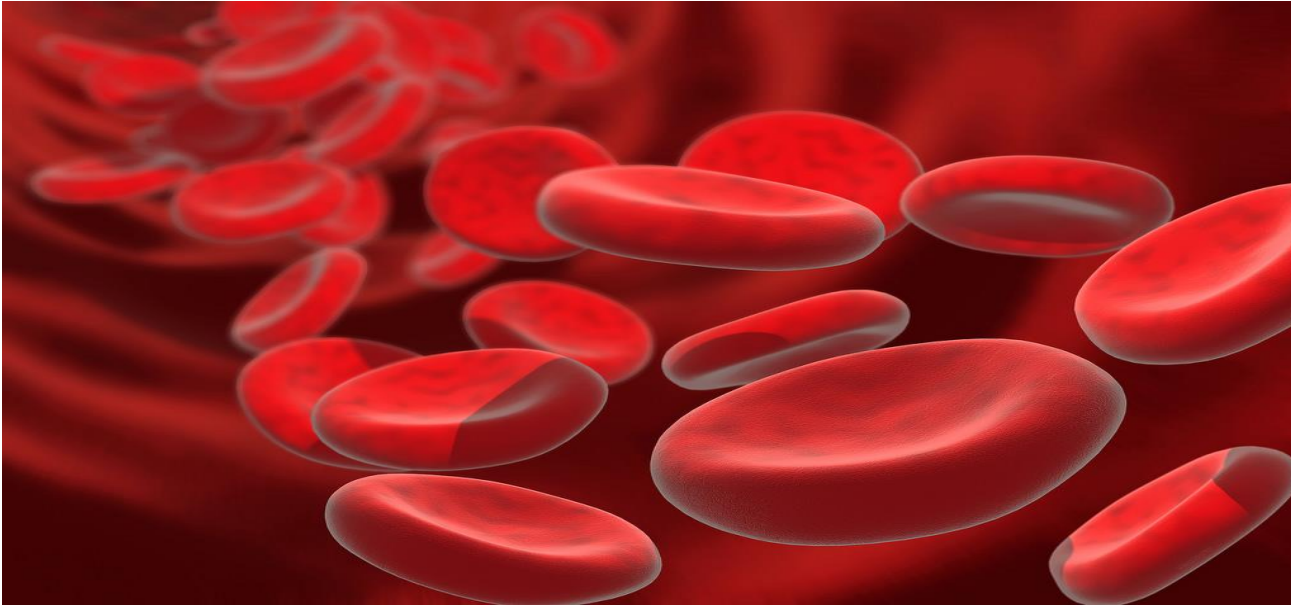
"We need red blood cells to live (the same way business needs profits to live) **but the purpose of life is more than to make red blood cells**."

Employee Wellbeing
The "Wellness or Else" Experiment

The Thriving Organization Pyramid™

Employee Wellbeing

Wellbeing Programs and Resources
Evidence-based, voluntary and comprehensive: career/purpose, financial, physical, emotional, social and community.

The Fusion

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The "Wellness or Else" Experiment
The Rhetoric

"Safeway designed such a plan in 2005 and has made continuous improvement each year. The results have been remarkable, our **health care costs for four years have been held constant.**"

Steven A Burd, Safeway CEO, Wall Street Journal, June 12, 2009

The "Safeway Amendment"
The Rhetoric

"It's a program that has helped Safeway cut health-care spending by 13 percent and workers save over 20 percent on their premiums...**And we're open to help employers adopt and expand programs like these**."

President Barack Obama – June – American Medical Association speech – Became law – 3/2010

The "Safeway Fiasco"
The Reality

- Costs declined by 2.5% in 2006   **3 years later!**

- Program was not implemented until 2009

- **1st year of the program costs rose steeply**

Tying Health Outcomes to Insurance Premiums

"Although it may seem obvious that charging higher premiums for smoking (body mass index, cholesterol, or blood pressure) would encourage people to modify their habits to lower their premiums, **evidence that differential premiums change health-related behavior is scant**…

Tying Health Outcomes to Insurance Premiums

…Indeed, we're **unaware of any insurance data** that convincingly demonstrate such effects."

Source: Volpp, et. Al, Redesigning Employee Health Incentives, NEJM 2011;365:388-390

"Wellness or Else"
The Invalid Assumptions

- High Healthcare Costs

- Medicalizing the Workplace

- Rewards & Punishments
  https://www.youtube.com/watch?v=VGrcets0E6I

- Participation vs. Engagement
  (compliance)

https://www.youtube.com/watch?v=-Nh42Uias-Y&t=361s – part 1

https://www.youtube.com/watch?v=p6Qt987OeMg– part 2

Net Promoter Score – (NPS) - *"How likely would you be to recommend our company, (product, service) to a friend or colleague?"*

Willis Towers Watson survey reveals strong employee disdain for clinical wellness programs, with record-low Net Promoter Score of -52.

Latin America: -18

Asia Pacific: -39

North America: -52

EMEA: -55
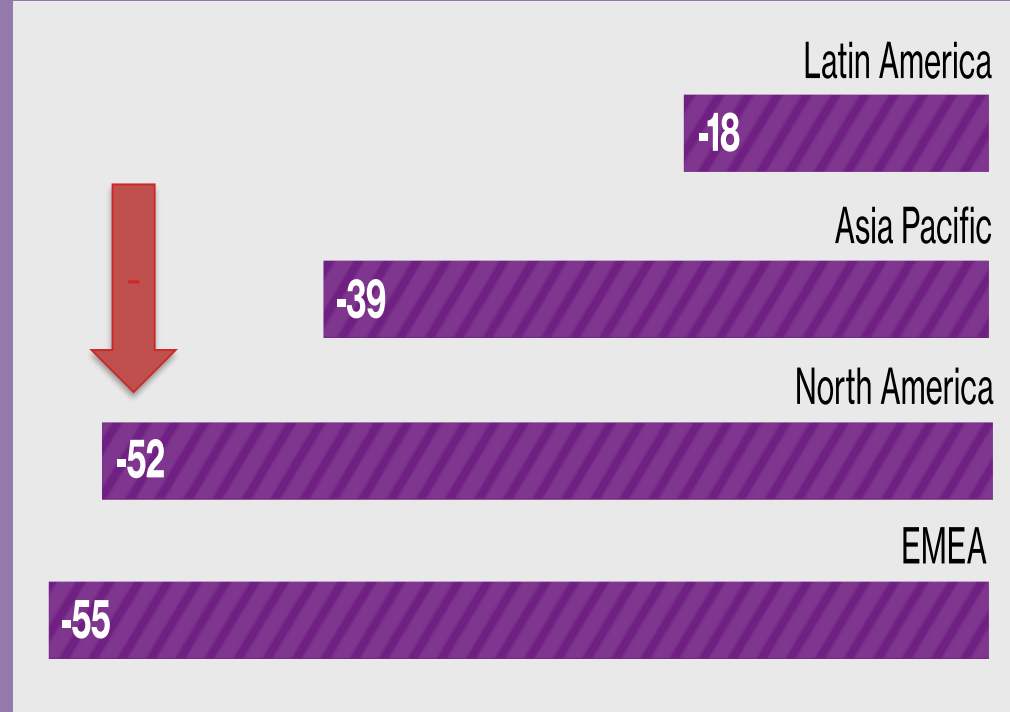
"Wellness or Else" - The Bottom Line
Dr. Soeren Mattke

Biometric Screens, HRA's, Weight Loss Programs

"Those **changes are not large enough** and the **relationships between health risk and spending too weak**, to result in reduction of health care cost let alone in return of investment."

"Wellness or Else" - The Bottom Line
Dr. Soeren Mattke

Assuming an average cost of a family employer health plan of approximately $16,000, about **$4,800** of that (30%) might be at risk for failure to meet such benchmarks. With a median annual income of about **$50,500** per year, this penalty would account for almost **10% of yearly income**.

"Wellness or Else" - The Bottom Line
Dr. Soeren Mattke

"In my mind, exposing the most vulnerable employees to that level of pressure would be sound policy **if, and only if, workplace wellness programs were powerful enough to reverse years of deeply engrained behaviors.**"

"Wellness or Else" - The Bottom Line
Dr. Soeren Mattke

"Our data show that they are not even attracting more than a quarter of employees and have a modest impact on those who participate. That is why I believe it is time to start **rethinking workplace wellness**, and come up with models that are both **fairer and more effective**."

Workplace Wellness - The Research

The Outcomes, Economics, and Ethics of the Workplace Wellness Industry

http://scholarlycommons.law.case.edu/cgi/viewcontent.cgi?article=1600&context=healthmatrix

How Assuming Autonomy May Undermine Wellness Programs

http://scholarlycommons.law.case.edu/cgi/viewcontent.cgi?article=1603&context=healthmatrix

The EEOC, the ADA, and Workplace Wellness Programs

http://scholarlycommons.law.case.edu/cgi/viewcontent.cgi?article=1602&context=healthmatrix

The Dubious Empirical and Legal Foundations of Workplace Wellness Programs

http://scholarlycommons.law.case.edu/cgi/viewcontent.cgi?article=1601&context=healthmatrix

What Do Workplace Wellness Programs Do? Evidence from the Illinois Workplace Wellness Study.

http://www.nber.org/workplacewellness/s/IL_Wellness_Study_1.pdf

Effect of a Workplace Wellness Program on Employee Health and Economic Outcomes: A Randomized Clinical Trial - https://jamanetwork.com/journals/jama/fullarticle/2730614

Organizational and Employee Wellbeing What Does Save Money?

What DOES Save Money

"Most research suggests that the best way to reduce medical spending and absenteeism is to **establish a culture that makes people *want* to go to work**."

TOM EMERICK
former VP Global Benefit Design, Wal-Mart Stores, Inc.
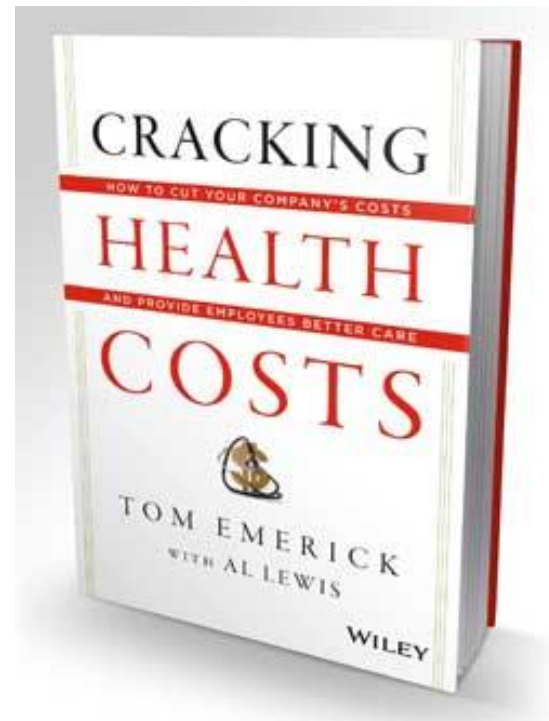
What DOES Save Money
The American Health Care System

"The problem isn't the people, it's systemic: our health care system is crushing the altruism right out of physicians and nurses. At the same time, it's crushing the hopes and dreams of middle-income families."

THE CEO'S GUIDE TO
Restoring
The
American Dream
How to Deliver World Class Health Care to Your Employees at Half the Cost
Dave Chase
Foreword by
BRIAN KLEPPER
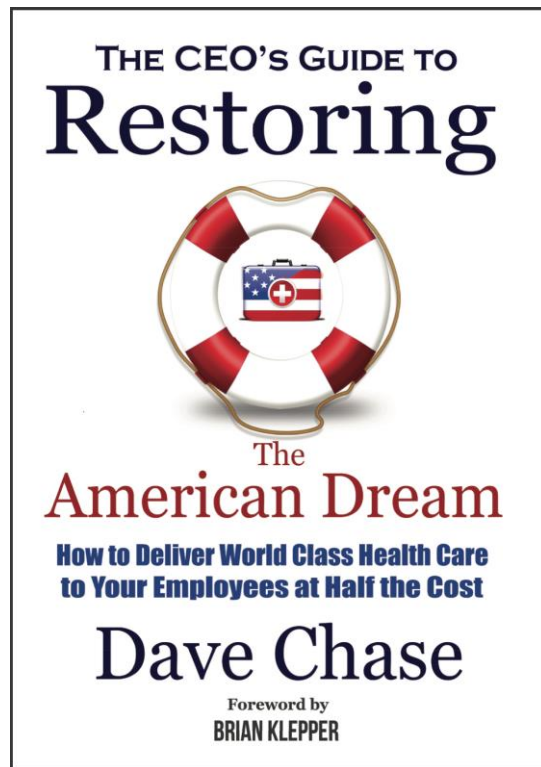
Health Rosetta

What DOES Save Money
The American Workplace

- Company Sponsored Centers of Excellence
https://healthrosetta.org/education/tom-emerick-employee-friendly-direct-contracting-with-high-quality-referral-centers

- Leapfrog Hospital Safety Scores
http://www.leapfroggroup.org/cp

- Co-ordinated Care Model
https://catalyst.nejm.org/what-is-care-coordination/

- **Chronic Disease Self-Management**
https://www.cdc.gov/arthritis/marketing-support/1-2-3-approach/docs/pdf/provider_fact_sheet_cdsmp.pdf

- **Choosing Wisely®**
https://www.choosingwisely.org/

- **Quizzify**
https://www.quizzify.com/

What DOES Save Money
The American Workplace

70% of U.S. workers are not engaged

$450-$550 billion dollars a year

Servant Leaders

Healthy Culture

Autonomy, Mastery, Purpose

What DOES Save Money
Employee Wellbeing

- **Autonomy** Employees being able to think for themselves and direct their own actions

- **Mastery** Opportunities to learn, grow & become highly skilled

- **Purpose** **Work that is meaningful & connected to a greater purpose**

Autonomy

Purpose

Mastery
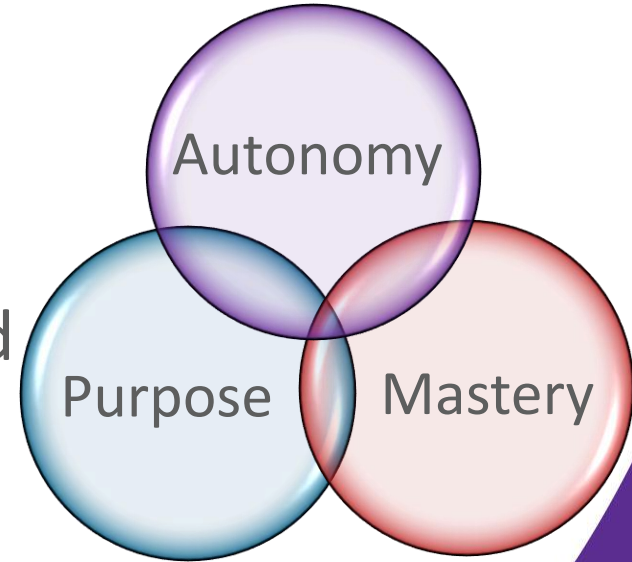
Take Home

Organizational Effectiveness depends on culture – "creating the conditions"

Leaders inspire and take care of those in their purview - like family

Wellness can help with recruitment, retention, and productivity but it is not a health care cost savings strategy

Employee wellness/wellbeing begins at the bottom of the pyramid.

The Thriving Organization Pyramid™

How to create a high-performing organization where employees are freed, fueled and inspired to bring their best selves to work – and home – each day.

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Sources: Peter Senge, Margaret Wheatley, Edward Deci, Edgar Schein, Patrick Lencioni, Robert Greenleaf, Simon Sinek, Bob Kegan & Lisa Lahey, Amy Edmondson, Aaron Hurst, Raj Sisodia, Bob Chapman, Tony Hsieh, Tom Rath & Jim Harter, Frederic Laloux, Ron Friedman, Heart, and Common Sense

Take Home

Where to Direct Critical Resources For Organizational Health and Employee Wellbeing

- **Culture**

- **Leadership Development**

- **HealthCare**

- Wellbeing Programs/Resources

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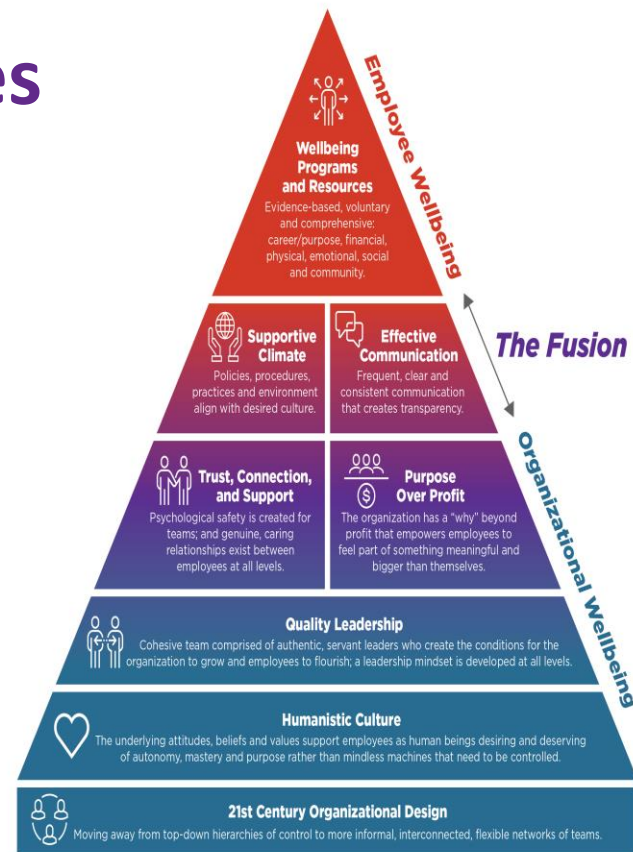
The Bottom Line

"Everyone wants to do better. **Trust Them.** Leaders are everywhere. **Find them**. People achieve good things, big and small everyday. **Celebrate them.** Some people wish things were different. **Listen to them.** Everybody matters. **Show them.**

"A lot of leaders talk about this. See what happens when you actually do it."
—SIMON SINEK, author of *Leaders Eat Last*, from the foreword

Everybody
MATTERS

The Extraordinary Power *of* Caring for Your *PEOPLE* Like *FAMILY*

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