

GLOBAL BUSINESS AND ECONOMIC ROUNDTABLE ON ADDICTION AND MENTAL HEALTH

Affiliated with the Centre for Addiction and Mental Health

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“BUSINESS IS CRAZY”

TEXT OF SPEECH

BY

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**GLOBAL BUSINESS & ECONOMIC ROUNDTABLE
ON ADDICTION & MENTAL HEALTH**

AND

SENIOR COUNSEL, GPC INTERNATIONAL

TO

CONFERENCE BOARD OF CANADA

COUNCIL ON WORKPLACE HEALTH AND WELLNESS

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Text of Speech
by
Bill Wilkerson
Co-Founder and CEO
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And Senior Counsel, GPC International
to
Conference Board of Canada
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Calgary, Alberta
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The world after September 11th is a different place for all of us --

- The attack on America –
- The around-the-clock terrorist imagery on television –
- The advent of biochemical terror –
- The sense that danger is close to our own front door.
- The business state of mind has been shaken. The world of work has changed. Most of us sense a deeper appreciation of the value of life.

On September 11th, one employer shouted into the smoke – “my people, my people” – notably, he didn’t shout “my computers, my office furniture, my wall carpets.”

In that single moment, he declared who and what his real assets are – his people.

Those words will resonate for a long time to come.

- Those words remind those of us in business that people are the most precious asset a competitive business can have --
- They remind us that human endeavor and specifically innovation is the critical determinant of competitive and corporate success in the knowledge and information economy --

- Those words foretell – here forward -- that in this environment, the human concerns of commerce are not a soft luxury of doing business, but a hard fact of doing business.

Having said all that, the world of work – the world of business – had begun to change dramatically even before September 11th –

It began to change when we entered a world economy – the knowledge economy – which puts a premium on the “thought content” of products and services.

In this world --

- The “thought content” in new cars coming off the automotive assembly line has more commercial value than the steel housing those cars.
- TV ads tell us that Ford products are being “re-thought” not re-built.
- Steel is cheaper to make today as a result of human ingenuity facilitated by computer technology. Steelworkers increasingly work at a computer keyboard not the mouth of an oven, thinking not lifting their way through problems.
- In fact, in the knowledge economy, the minds of people not their backs, arms and legs will do the heavy lifting for business.

Don Tapscott, Canada’s leading expert in network intelligence makes that same point this way. He says “relationship capital” is the key to business success in the global information economy.

He refers to such things as –

- Network based outsourcing and project partnerships, joint ventures, supplier networks –
- Concepts which are plausible in today’s terms because of the technology we have to create and manage them –
- But concepts which will flat out not work without resilient, attentive, flexible, well-motivated people.

In this, we find a very clear distinction between the financial capital we invest in hardware and software and the human capital – the relationship capital – we invest in building the alliances we need to succeed.

We find too – in the employee attributes I just named – a pretty good working definition of what constitutes mental health.

In the knowledge economy where relationship capital, as Mr. Tapscott describes it, is the most important currency business can or will trade in – mental health is the gold standard underpinning that currency.

A standard which –

- Takes the form of perspective, judgment, outlook, empathy, concentration, give-and-take at every level of the organization –

A standard which –

- Materializes in the productive and profitable relationships we have with customers and suppliers alike.

A gold standard –

- Which reflects the face of what the Roundtable calls the 21st century economy of mental and behavioral performance.

So the evidence is mounting, we are in an era when the mindsets of employees are as important as their skillsets.

Ironically, as the business case for mental health unfolds the human resource behind it is under unprecedented attack.

At the dawn of this new century, we face a pandemic of mental health disorders worldwide – an “unheralded crisis in world mental health” – in the words of the World Bank and Harvard University.

The world crisis in mental health looks like this:

- A half billion people worldwide afflicted with serious mental health and addiction problems –
- Enormous costs -- \$250 billion (US) a year in the United States alone – associated with these disorders –
- Business paying two-thirds of the total costs of mental illness through output impairments of all kinds – which means the bulk of these costs are born by investors and by the economies and companies in which they invest.
- Short-term disability rates now dominated by mental health-related problems –

- Growing wage replacement costs, absenteeism rates and group health expenditures driven upward by the high incidence of low grade and more serious mental health disorders –
- A time when the “walking wounded” – individuals who stay on the job while suffering through serious mental health problems – represent a greater cost to business – about twice – than the officially absent. They call this “presenteeism.”
- Depression as the greatest source of disability afflicting, mainly persons in their prime working years.

Consider this: the total costs of mental illness in Canada represent about 14 per cent of the total corporate income generated in this country.

At Syncrude Canada, the CEO made public a calculation that if those estimates are correct, mental health problems are costing his company about \$250 million in gross revenue or about 11 million barrels of oil production a year.

Former Finance Minister Michael Wilson – Senior Chairman of the Roundtable – sees mental health as an issue which belongs on Canada’s economic agenda.

And he said so in a letter to Finance Minister Paul Martin and the G-20 Ministers of Finance last weekend. He said the mental health crisis “is draining industrial productivity (from the global economy) like a slow, unseen leak in a ship at sea.”

Let me share with you a few other excerpts from this remarkable letter:

- “Working conditions in the world are such that they tend to promulgate mental health problems in the labor force rather than protecting our investment in our people against those kinds of pressures.”
- “As an industrialized society, we have become accustomed to emotional distress for growing numbers of people – even in good times and healthy economies – as a natural cost of competing in an intense global economy.”
- “We have become accustomed to workplace stress that is too high and often very toxic. Study after study proves this.”
- Mr. Wilson went on to say “we have become accustomed to mass lay-offs as the first not the last alternative in facing corporate and economic downturn.”
- “We have become accustomed to the tremendous effects of irrational behavior in our financial markets on business decision-making. Short-term thinking, it seems, is getting shorter. I worry about that.”

- “We live, as a result of these trends, in an intensified society. This is having a profound effect on the emotional stability and mental wellbeing of hundreds of millions of breadwinners at all levels of organizations throughout the industrialized world.”
- “We simply cannot afford the financial or human implications of a public health crisis of this proportion – and one that is going barely noticed and certainly unmanaged.”

If he were Finance Minister today, Mr. Wilson said – knowing what he knows now about the impact of mental health issues – he would place the matter on Canada’s economic agenda. And he would urge other finance ministers in other countries to do the same.

Thus his appeal at this time to Mr. Martin and the G-20.

Economic and social investments are vital to containing the rise of mental disorders and their impact on economic performance. This world mental health crisis is an arrow in the heart of the global information economy.

“In fact, the human capitalization of our economies,” Mr. Wilson said, “is more important than the availability of financial capital to the future of the world economy.”

“The two, at least, are now inseparable. We know that much.”

The long-term solution to the world mental health crisis lies in new forms of investments in people and in work. In greater investments in research and –

- In improved methods of early detection and treatment.
- In protecting children against the social and economic pressures which consistently breed mental illness in rich and poor economies alike.

These are the issues which, today, shape the context governing –

- Corporate productivity and competition –
- Employee wellness and consistent output –
- And – I want to emphasize this – the management of what can be accurately described as an unfunded liability in the form of unaccounted-for heavy cash spending on the fall-out of a mental health crisis now afflicting upwards of 30-40 per cent of the labor force, managerial ranks and even those in the executive suite.

But what to do.

The Roundtable proposes a slate of initiatives aimed at mobilizing business capital to –

1. Rein-in the growing prevalence of mental health disorders –
2. Protect our existing investment in our people and –
3. Pro-actively develop management standards with the power and precision to promote the mental health of the labor force as a vital determinant of our ability to compete.

For those of us committed to the concept of employee wellness, I hope these three categories of emphasis make sense – and, most particularly, I refer you to the third of the three.

Most often, we discuss employee health in terms of the workplace. That is logical-enough. But incomplete. We must make the case for investing in employee wellness as it applies to the company's competitive position in the market place.

We must draw the connection between employee output in the work place to sales numbers and market share achieved in the market place.

We must attract the interest of senior management to the concept of employee health and wellness as a necessary investment with a plausible anticipated return in the near-term cycle of the business – not abstractly somewhere down the road.

In my judgment, the urgency of the mental health crisis facing the world – the advent of the economy of mental performance – and the strategic significance of Don Tapscott's concept of relationship capital – give us new timing imperatives to press the business case for employee health and wellness generally.

Let me emphasize one other point – when I talk about mental health, I am not talking about a single category of concern. Something akin, say, to low back pain or soft tissue injury.

Mental health is all-encompassing. It represents and affects our total being. It is both the cause and result of a whole range of so-called physical health problems – heart attack, our vulnerability to infectious disease, the health of our thyroid and liver, the capacity of our biochemistry – and therefore our neurological system – to function properly.

Mental health issues go to questions of function and personal identity, relationships and teamwork, perception and reality, hope and despair.

In that context, consider this – despair, which is serious depression, costs business more money every year than strikes or product defects.

My appeal to business decision-makers in these matters isn't heart to heart – I am not appealing to their compassion – I talk to them nose-to-nose and I appeal to their business sense.

These issues are not the soft side of running a company. They are the hard costs and practical facts of doing so.

In those terms, the Roundtable proposes a business plan to defeat mental health disorders accented by the realities of the post-September 11th world in which we now live and work. I will discuss this plan briefly here and invite you to visit our website for more detail at www.mentalhealthroundtable.ca.

The Roundtable's plan centres on what we call Vision 2020 – a goal to head-off a projection contained in Harvard University's landmark Global Burden of Disease Study foretelling that unipolar depression and ischemic heart disease may emerge by the year 2020 as the leading causes of workdays lost through disability and premature death.

This projection – if realized – would be calamitous, wiping out much of the progress made over the past 50 years in advancing the average life-span of both the adult and infant population of this world.

Our business plan centres on the most common mental health disorders – depression and anxiety – and addictions.

The plan calls for the development of a new generation of quality of life management techniques aimed squarely at the Roundtable's "Top Ten Sources of Stress."

The plan calls for protocols to reduce the excessive use and frustrating volumes of emails. In effect, an email ceasefire.

The plan calls for special remedies to deal with occupations which are particularly vulnerable to stress and places of work which typically produce unhealthy conditions.

Call centres are the sweatshop of the future.

The plan calls for widespread management training to promote the concept of fairness as a fundamentally-necessary tool of management for a healthy workplace.

Perceived unfairness breeds disaffection and distrust which, in turn, can foster rumination – a predictor of depression.

The plan to defeat mental health disorders would establish the workplace as a primary, strategic venue for dramatic improvements in the early detection of depression and anxiety. These conditions are prevalent at work.

The plan calls for financial targets and incentives to rein-in the spreading impacts of mental health disorders on business performance, aiming specifically at:

1. Absenteeism rates associated with stress and mental health problems;
2. Wage replacement costs and prescription drug costs – windfall savings in the vicinity of \$5 to \$7 billion a year across the Canadian labour force are possible from these two categories alone if earlier detection strategies succeed;
3. Preventing mental health problems from escalating to 60 per cent of all STD claims – and, in fact, reducing the running rates to less than 20 per cent over the next five years;
4. Unit production cost improvements and reduced lost time on the job through stress reduction and mental health promotions.

Post-September 11th, the plan calls for family concern initiatives to help parents manage their time at work.

Such initiatives are all-important as many of us experience apprehension about the safety of our children and dependent elders.

This aggravates an already major concern about family life balance in the world of work where people are hurried, worried and rattled by change.

In the post-September 11th period, we believe employers must exert great care not to isolate employees through an incremental process of exclusion from meetings, from information, from a sense of belonging.

Isolation is a predictor of depression.

We believe managers and supervision, in this environment, must learn how to manage emotional behavior more effectively and to engage their direct reports when troubling signs appear.

Today's workplace must be decompressed. The "walking wounded" and disengaged employees cost Canadian business billions of dollars a year.

We believe financial targets – both cost and revenue-related – must be established to drive the decompression of the workplace and cuts in the incidence and prevalence of mental health disorders at work.

We believe companies need employee and family assistance plans customized for mental health purposes – thus establishing a bona fide process of referral, care and staged return-to-work.

We believe that in today's world, mental health is a governance concern. Who else can reach a CEO in trouble emotionally other than a member of the board of directors.

We believe the mental health of professionals – particularly doctors and lawyers – is a matter of fairly urgent concern. These sectors must respond.

Shortly, the Roundtable will release a further iteration of its business plan for mental health and many of these principles will be elaborated on.

In all of this, there is but one message. Our Chairman, Tim Price, Chairman of Trilon Financial Corporation delivered it clearly when the Roundtable was set up.

“Mental health,” he said, “is a business issue and one we must get our arms around in a hurry.”

And so we must.

Thank you.