

**GLOBAL BUSINESS AND ECONOMIC ROUNDTABLE
On Addiction and Mental Health
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*The Roundtable is affiliated with the Centre for Addiction and Mental Health
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KEYNOTE SPEECH BY

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

TO

THE FIRST INTERNATIONAL DISABILITY MANAGEMENT FORUM

**HYATT REGENCY HOTEL
VANCOUVER, B.C.
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“The Human Condition of Business: A New Path To Shareholder Value”

(CHECK AGAINST DELIVERY)

**Summary of Keynote Speech by
Bill Wilkerson, Co-founder and CEO
Global Business and Economic Roundtable on Addiction and Mental Health
To
The First International Disability Management Forum
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I have been asked to address the workplace accommodation of what has been described as the world's invisible disability. The fact is, however, mental disorders are visible to the eye of those who would see them.

Depression is as physical as a broken leg – and just as psychological. Both are both.

Mental disorders have a biological basis. Our nervous system communicates with our immune system.

Mental disorders can cause heart attack and be a factor in the mortality rates of heart victims.

Depression can affect the variables of our heart-beat – in fact; the heart of a depressed person never sleeps!

We can take a picture of the brain experiencing depression – not quite an x-ray but we are getting there.

In time, we may well have a drug like penicillin for schizophrenia.

On top of all this, depression is the leading source of human disability in the world today.

In a serious state, its disabling effects are likened to blindness and paraplegia. Schizophrenia to quadriplegia.

Human stress can slow the healing of a wound.

So, is mental illness an invisible disability?

Only to those who remain blind to it.

Before going deeper into the topic, a brief word on the Roundtable itself.

Our mission is to document the effects of mental health and addiction issues on the financial and competitive performance of business.

And recommend practical measures business can take in response to them – job one in the process of accommodating mental disability in the modern workplace.

Since its inception in 1998, the Roundtable has depended on the highly-public endorsement of a number of senior business, health and education leaders.

We are not a voice *for* business, we are a voice and channel *to* business.

We enjoy a formal affiliation with the Centre for Addiction and Mental Health in Toronto and are very proud of that association.

The Centre is one of only four Centres of Excellence as designated by the World Health Organization –

And it is a leading research and teaching hospital committed to opening a new front in an old war –

The old war being mental illness – the new front, the business market place and workplace.

The New York Times published an article that said the effects of human behavior on economic performance is something we should pay attention to.

Well, at the Roundtable, we already are.

The Economy of Mental Performance

In fact, we call the global knowledge-based economy – the economy of mental health. The reason is this.

Like never before, business today depends upon the consistent, sustainable mental performance of employees, managers and executives for fundamental competitive reasons.

Innovation is a key determinant of corporate success. It is a differentiator. A competitive edge. It is also a mental function.

Under industrial capitalism, the key assets were physical resources, physical plant and financial capital.

Today physical resources are relatively unimportant in most industries.

Even in the steel industry, innovation and knowledge systems not iron ore drive the value of production – especially among the mini mills that are now challenging the old integrated steel factories for market share.

Physical plant is also less important – Cisco is one of the most valuable manufacturing companies in the world but it doesn't have factories.

The competitive value of financial capital is fleeting. Twenty-five years ago Microsoft didn't have any. Today they've got almost as much as any company.

Walter Wristen, former chairman of Citibank said 20 years ago that information about money was becoming more important than money itself.

Two decades later, he's right.

Corporate stocks are bought and sold on-line in an instant. A corporation's value can rise and fall by billions in less time than it takes to make a cup of tea.

A worldwide web of investor information about money mediates and processes investor decisions on-the-fly – and the fate of that day's trading on exchanges all over the world is set.

The Community We Belong To

In the old economy, companies invested in big factories with production processes and sophisticated machinery that required little decision-making or skill from the operator.

General Motors, 50 years ago, did strength tests for its factory workers. Physical labour was a commodity sold by workers and organized by their unions to increase its value.

In those days, time at work was pretty much time taken away from your life – and working people sought their personal fulfillment through leisure.

It is different today.

Work is no longer the job we go to, it is the community we belong to – the source of our identity and self-worth. Losing it can mean losing part of oneself.

In my judgment, the culture of downsizing which has swept the free market economies of the world has wounded the spirit of many millions of people not because it removed their source of livelihood – people find other jobs –

But because the experience is one that assaults something much deeper – our fundamental sense of self and place.

People mourn the loss of a job like the loss of a person. Even persons with severe mental disabilities who have never had a fulltime job yearn to work.

As human beings, we have a need to be productive, to be useful, to be contributing – and often a paycheck is the bonus.

As business people, we should also ask ourselves why mass lay-off's are the weapon of choice we choose to appease the traders and buyers of company stock.

For one thing – it doesn't work financially.

Companies that downsize in large numbers do not improve their productivity, the data shows this.

They aren't even rewarded by investors compared to their competitors. Companies who grow their bottom-line through expanded revenue have a better return in share value than companies who achieve the same end through massive downsizings.

Companies with stability and continuity in leadership do better than those which slash and burn.

It is clear. The culture of downsizing could be wiped from the map for good business reasons and simply not on humanitarian grounds.

Worldwide Initiative

The World Mental Health Day initiative in 2000 – which we helped lead – produced a response from countries the world over – Egypt, Australia, and Japan to name three – and again and again, the apprehensions of work drove the rates of distress.

Innovation, indisputably, is the key to competitive success in today's global economy.

In this light, we see a core proposition fuelling the business case for mental health –

- The proposition that the capacity of people to think underlies the capacity of companies to be innovative and therefore competitive.
- The proposition that today our minds not our back, arms and legs do the heavy lifting of business. Employers today are looking for mindsets as much as skill sets among the people they hire.

In the words of the CEO of Pepsico – mindsets build businesses.

Today, it takes about 45 minutes to produce a ton of steel. It used to take several hours.

The difference? Human innovation facilitated by information technology.

Cars today come off the assembly line with more microchips than sparkplugs -- their competitive value defined mostly by the mindsets of people who build innovative thought content into the safety, efficiency, and design features of these cars.

In the early 90s, corporations crossed a divide.

For the first time, industrial concerns worldwide spent more money on telecommunications – the veins of human communication – than they did on oil – the blood of machines.

The software revolution spawned the economy of mental ingenuity. And from this great ocean rose the miracle of mass customization.

- Computers no longer just doing big calculations – fast.
- But in the minds and hands of skilled people at every level of the organization, helping us design and adapt goods and services – in high volumes – to meet the customized requirements of individual customers.

In business today, the way people relate to each other is more important than how machines relate to each other.

In business today, people have to learn new ways of approaching their job conceptually – linear thinking must be un-learned. We can all be visionaries. And in the future, to be employable, we might have to be.

Mental Health Force

In today's information economy, mental capacity and good health empower and enrich the key asset of business – intellectual capital.

The mental wellbeing of the work force mediates the forces of success or failure in business today. Thus is born the “mental health force” of the 21st century.

That said, what is mental health? For a definition, you don't need to look into a medical book. Just look at the recruitment ads appearing in the paper every day.

Businesses are recruiting mental health (even if we don't know it) because they want people who can think, communicate, learn and grow.

Mental health is the ability to meet our obligations and challenges, adapt to change and adversity, share not hoard, give credit not blame, relate well to others, lead by example.

Mental health in the work force of a global, knowledge-based economy becomes the ultimate productivity weapon.

The Business Case For Mental Health

In these terms, the business case for mental health by definition becomes many other things –

- It is the case for reducing stress at work –
- It is the case for distributing work fairly –

The business case for mental health is helping employees get off the treadmill – where they tire not because they are being asked to do too much – but too much at once.

The business case for mental health is helping employees get free of randomly changing priorities and too many meetings.

It is liberating employees from the enslavement of e-mail and fostering personal communications face-to-face.

It is giving employees sufficient control over the daily tasks of earning their daily bread.

The absence of such control is a greater risk to the cardiac health of today's work force than smoking.

The business case for mental health means punishing not rewarding office politics.

The business case for mental health means removing the sources of perceived unfairness at work.

People problems – low morale – can predict a large company's financial performance three years in advance.

The financial condition of business is linked to its human condition – and if enhanced, its human condition opens a new path to shareholder value.

The business case for mental health is not about executives and managers doing the right thing for people – although that's good – it is about them doing the smart thing for their business.

The business case for mental health is about business people knowing what the alternative is costing them.

Significant Costs

I have new numbers on the economic costs of mental health problems in Canada and beyond.

Two years ago, the Roundtable estimated the cost of mental illness to be \$16 billion a year in Canada. We now believe that number is approaching \$40 billion annually.

Why the jump?

Historically, Health Canada and others have dramatically under-estimated the non-treatment costs of mental disorders by nearly half.

Historically, the cost of addictions has not been included in the estimates of the cost of mental illness – when logically it belongs there.

Historically, we didn't have the data upon which to assess the effects on business and economic productivity.

In North America, we now believe that mental disorders and addictions are costing Canada and the U.S. just short of \$300 billion a year (U.S.)

And we believe that two thirds of those costs are coming out of business and the economy not out of our health care systems.

These costs are enormous – and we don't know whether we have bottomed-out yet.

Kids Under Attack

According to the World Health Organization, mental disorders are spreading and attacking the younger segments of our population with greater zeal.

For example, the average age of onset of anxiety disorders is age 12 in Canada and 18 in the Netherlands. The youngest and oldest among seven countries surveyed.

(The seven countries were Canada, the United States, the Netherlands, Germany, Brazil, Mexico and Turkey.)

Meanwhile, the average age of onset of depression among these seven countries was 26 overall – age 23 in Canada and the U.S., the youngest.

The average age of onset for substance abuse was about 20 years of age among these seven countries – it was age 18 in Canada.

These numbers tell us this stark truth.

Canadians are getting mentally ill younger than our major trading partners. The diseases of grown-ups are becoming the diseases of their children including high blood pressure.

Nearly Half U.S. Population

And let's remember – depression, anxiety and substance abuse often go hand-in-hand.

And if mental health and addiction problems are getting younger, they are also becoming more widespread.

The lifetime prevalence of depression, anxiety and substance abuse breaks out along these lines –

48 per cent of the population in the United States;
 41 per cent in the Netherlands;
 38 per cent in Germany;
 37 per cent in Canada;
 36 per cent in Brazil;
 20 per cent in Mexico;
 And 12 per cent in Turkey.

Canadians need a wake-up call.

- This country has the third worst teenage suicide rate in the world today and
- With the United States, we have more kids more distressed than many of our closest neighbours.
- Could it be that stressed-out adults are stressing-out their kids – that stressed-out teachers are stressing out the kids they teach?
- Could it be that video games are making “death and dying” too easy, too real and too close for kids today.
- Could it be that road rage and air rage and school yard bullying in the workplace of our kids – school – are the signs of a frustrated, worn-out society showing its anger and frustration –
- A kind of modern “fight or flight” crisis and when we can't flee our daily lives, we fight back in other ways.

The Business of Business

Surely the terrorist threat and disclosures of possible attacks we know not where or when have certainly put the civilian world on edge.

Let there be no mistake about it – the emotional health of our kids and their parents – which is all of us – is the business of business.

In that context, on October 9, 2002 and November 14, 2002, two events will take place which we hope will galvanize the international business community around mental health and addictions in the knowledge economy.

First in the city of Maastricht, the Netherlands and then Toronto, my associates and I will convene high-level roundtables to produce what we hope will be the first “Charter on Addiction and Mental Health in the Knowledge Economy.”

A charter through which to set out management practices, business strategies and investment scenarios which will achieve – over the long-term – a number of audacious goals –

- One is a measurement of productivity linking sound principles of human health, industrial and economic output.
- Another is a workplace quality of life standard.
- A third is the articulation of management practices which inherently promote the mental well-being of the work force.
- A fourth is a template for university business education which equips future executives with the insight needed to manage behaviors and to understand what may provoke them.
- Another is an internet strategy to help defeat stigma once and for all.
- Another is the use of education and training to arm managers, supervisors and co-workers with the sensitivity and information they need to recognize the signs of mental distress and reach out helpfully.
- Another is a mental health leadership model for private and public sector employers alike.

World Mental Health Crisis

We have no time to lose in this quest.

In an economy where our minds are the principal vessel of production, we hear the sounds of thunder and fury of a mental health crisis burning a hole into the soul of the 21st century.

Mental disorders today afflict a global population greater than the size of Europe and North America combined.

This pandemic is disabling more people than AIDS, cancer and traffic accidents combined.

Depression is the leading source of disability in Canada and the world.

This crisis is burning through the prime life working years of tens of millions of breadwinners – and their kids.

Despair – depression – now costs business more than strikes. It is as physical as a broken leg or quarterly financial result.

Recently, our senior chairman, Honourable Michael Wilson, corresponded with former Finance Minister Paul Martin and the Finance Ministers of the G-20. He urged Mr. Martin and his colleagues in the world's leading industrialized nations to put mental health on the economic agenda of nations.

The world mental health crisis – to use Mr. Wilson's words – drains industrial productivity from our economies like a slow, unseen leak in a ship at sea.

It also drives up the cost of healthcare. People with undetected mental disorders use the medical system three to five times more than others.

Windfall Savings

Improving the detection and treatment of these conditions would produce a windfall in dollar savings for governments and the private sector alike – in the tens of billions of dollars a year.

And yet, we stand by – with proper diagnosis and treatment taking place in less than ten per cent of the estimated number of cases worldwide.

An ugly statistic. And a heartbreaking one, especially when you consider that depression is beatable 80 per cent of the time when it is properly diagnosed and treated.

The truth is that – as an industrialized society – we have become accustomed to emotional distress for growing numbers of people – even in good times.

We accept human distress as a cost of doing business in the highly-competitive global economy. People in all walks of life are increasingly hurried, worried and rattled by change.

Job insecurity – now a constant fact of life.

Alan Greenspan, chairman of the U.S. Federal Reserve Board, recently expressed concern about irrational exuberance in the financial markets – what Steve Forbes, editor-in-chief of Forbes magazine – calls “mania investing.”

How ironic: “mania” and “irrational” have found their way into the lexicon of the financial market. Which means the buying and selling of stocks are being driven by human emotion – by human emotion in an extreme state, perhaps a frenzied state.

We see in this that the market is not an abstract place. It is people making decisions and if they are making those decisions in an irrational and unstable way, those decisions will cause a lot of pain for a lot of people.

Is this what we want to define success or failure in the free market economy?

The fact is that the cost of mental illness represents more than 14 per cent of all corporate income and the CEO of one company – Syncrude Canada – puts the price tag at 11 million barrels of lost oil production or \$200 million a year in his firm alone.

Disability insurance and group health claims for mental health problems will climb to more than 50 per cent of the total number of claims administered through employee group health plans over the next five years.

Key to Competitive Strength

At a corporate leaders breakfast we held in Toronto in January, Gordon Nixon, President and CEO of the Royal Bank linked employee mental health and financial performance and he said mental well-being is vital to “our capacity to compete.”

There you have it. The CEO of our biggest bank, one of the most powerful business leaders in this country saying mental health matters to business.

Let his voice be heard. And let all of us be warned.

Over the next *20 years*, Harvard and the World Bank foresee depression becoming the leading source of workdays lost through disability and premature death –

But why are mental disability rates increasing?

The director-general of the World Health Organization gives one reason: people getting older, living longer – the body out-lasting the mind.

Dr. Paul Garfinkel, one of the world’s most distinguished psychiatrists – and President and CEO of the Centre for Addiction and Mental Health in Toronto – has a different perspective.

“The current epidemic of depression and psychiatric disorders,” he says, “may stem from the radical shifts in society involving technology, changes in family and societal support and in the commercialization of existence.”

Two years ago, the Roundtable published a 12-Step Business Plan for Depression.

Among other things, it calls for:

- CEO leadership in the forging of workplaces which are “good for you” – without it, nothing happens.
- Specific targets to improve rates of early detection of mental health disorders – say by 35 to 50 per cent – per year – using the workplace as a primary venue for this purpose.
- Specific financial targets tied to new sales revenue, cost reductions and customer retention.
- Dramatic increases in the use of employee assistance programs as one investment in employee health.
- Graduated return to work protocols specifically for the mentally disabled – complete inventories of emotional work hazards – and progressive employee work/life strategies to reduce absenteeism.
- The reduction of burn-out and depression rates by 15-25 per cent over three years.
- The creation of a research agenda merging the medical and management sciences around the cause and effect of mental disorders and productive work.
- And an information campaign to help business people understand that mental disorders and chronic physical conditions – such as cardiovascular disease – can go hand in hand.
- And a national business and economic strategy to cut this country’s average rate of absenteeism in half in five years.

Human Condition of Business

These are concrete ways for business to rein-in the effects of mental disorders on the performance of their people and thus their ability to compete.

But we need even more.

The human condition of business – not its financial capital – is the predictor of sustainable performance.

Financial capital – even in great abundance – does not distinguish one tough and successful competitor from another.

Human capital does that.

The world mental health crisis threatens business because it targets and compromises these assets.

Which, in turn, suggests that strategic business investments in the intellectual health of people creates a significant competitive edge where none existed before.

At a time of deep shareholder concern over the financial reporting of companies – triggered by the Enron affair and the integrity problems on Wall Street – investors are worried about the quality of people inside organizations.

Nortel Chairman Red Wilson, in a recent speech, highlighted the importance of character to business acceptance and credibility in the financial markets.

One of the legacies of the Enron affair will be a more skeptical public with respect to the declared financials of public companies.

A statement of the human condition of businesses – reflecting trustful and trustworthy cultures and practices – could prove to be a tremendously valuable way of communicating to a shaken public.

Standards of employee health would have an important place in such a discourse.

The Roundtable will this summer begin a process of investigating the kind of “human condition” statement which might take its place in the world of corporate reporting.

Postscript

A closing word.

Let it be known that persons with disability are not damaged goods – they are assets.

Let it be known that the employment of persons with disabilities is a good investment and the costs of accommodation are negligible.

Let it be known that mental disability is treatable and beatable and the courage to come back through the achievement of recovery enhances that person’s capacity to be productive and fruitful at work.

And let this be known. Just as a long journey begins with a single step, the journey of wiping mental disability from the plains of this earth can begin with healing the ache of just one person.

Then, one day, we will come to see we have eased the ache of so many more and one day after that, we will look up and see that we have changed the world.

In that light, like George Bernard Shaw, we will see things as they might be and ask why not, forever locking mental illness in the cellar of history.

- 30 -

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