

Cohesion Matters

Summary of Willis Towers Watson's closing content from the Wired to Grow webcast on July 21.

July 21, 2020



Pandemics change the world in many ways



1300s, Bubonic Plague Europe

- Killed over a quarter of the population
- Vikings stopped exploring North America
- Feudal system collapsed
- Religious persecution
- Shift to urbanization
- Innovations in labor-saving technology and process



1500s – 1700s, Smallpox/ Measles Americas

- Aztec and Inca civilizations decimated
- North American indigenous tribes conquered by Europeans
- Religious oppression
- Enough regrowth of forest that there was measurable cooling from carbon sequestration



1918, Influenza Global (“Spanish Flu”)

- Killed more U.S. soldiers than weapons in WWI
- Global death toll 50 – 100 million
- “Red Summer” race riots in U.S.; additional destabilization in Europe during aftermath of Bolshevik revolution
- Innovations in science and manufacturing



1968 – 1970, Influenza A (H3N2) virus Global

- 1 million deaths worldwide
- 100,000 deaths in U.S.
- Coincided with sustained period of race riots in U.S.; broader political disruption in U.S. and globally
- Innovations in science (space); technology (ATMs, computers)

Sources include: Kolata, G [Flu](#) 2001, History.com [“Pandemics that Changed History”](#), Gunderman R [“How Smallpox Devastated the Aztecs,”](#) 2019 Byerly, C [“US Military and Influenza”](#) 2010
Note graphic for bubonic plague is a doctor's mask from the 1600s; CDC.gov, [Multinational Impact of the 1968 Hong Kong Influenza Pandemic: Evidence for a Smoldering Pandemic](#)
Cécile Viboud 1, Rebecca F Grais, Bernard A P Lafont, Mark A Miller, Lone Simonsen, Multinational Influenza Seasonal Mortality Study Group

Workforce principles developed by World Economic Forum and Willis Towers Watson



See this crisis as a **defining leadership moment** — and continue delivering the best possible outcomes for all stakeholders



Adopt an agile and continuous **learning mindset** to ensure response is (re)calibrated to the circumstances at hand



Understand the perspectives of and **engage** all stakeholders (e.g., employees, shareholders, customers, suppliers, health care providers, community) in decision making

4



Focus on the intersection of employee and company **wellbeing**

5



Make **decisions** and take **actions** that take into account medium-term needs and longer-term business objectives

Read the joint whitepaper: [Workforce Principles for the COVID-19 Pandemic: Stakeholder Capitalism in a Time of Crisis](#)

The world is being continuously disrupted by change... and multiple stakeholders still seek to have impact... and purpose survives

Sustainable investing now represents **25% to 50%** of **assets under management** in most countries — exceeding **\$30 trillion globally**

Source: Bloomberg News, 2019

Employees are **3X** more likely to stay at a **purpose-driven** organization and they are **1.4** times more **engaged**

Source: Vic Strecher



Nearly **two-thirds (64%)** of **consumers** around the world are **belief-driven buyers** (who choose a brand based on its position on **social issues**)

Source: Edelman Earned Brand Study, 2018

Sustainable in a crisis: 24 out of 26 ESG-tilted index funds **outperformed** their closest conventional counterparts during **Q1 2020**

Source: Morningstar, April, 2020

Sustainable organizations are focused on purpose in all they do; purpose can uncover meaning, create connections, inspire good work and drive engagement

Organizational purpose is defined as the reason why businesses exist. It creates a sense of meaning and personal connection for employees. It explains how people can make a difference and increases employee focus, commitment and collaboration.

Employee Experience

Individual purpose (for work) is defined as the reason individuals choose what they do for a living. Employees see purpose as a way to bring meaning to their work and understand the contributions they are making to the company.



Organizational purpose

- Purpose-driven leadership
- Healthy company culture
- Corporate social responsibility

Purpose-driven culture

Individual purpose

- Work matters
- Wellbeing, resilience, sustainability
- Connection to health, engagement



Improve and extend millions of lives each year through research and product innovation

Illustrative

Improve the physical and emotional wellbeing of millions of people through my career

A sense of purpose is an understanding at every level of the company about its role in the world and in the community. — Larry Fink, BlackRock

Culture and sustainable human capital require a healthy company mindset

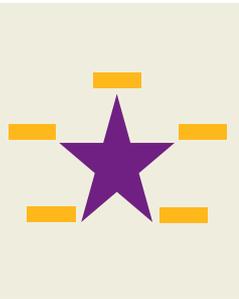
Healthy company culture starts with mindset and behaviors

Only **1 in 3** employees would highly recommend their company as a place to work based on its culture

Healthy Company Mindset

Purpose

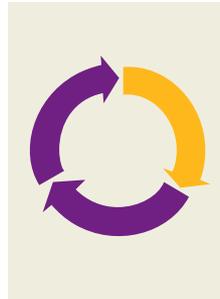
Dignity
(Respect and
Self-worth)



Psychological
Safety



Inclusion



Wellbeing



Physical
Safety



Agility



Tolerance
for Risk-taking
(innovation)



Sustainability requires a long-term focus on creating value and impact

Purpose-driven and evolved organizations are adopting ESG investor commitments

Environmental, Social Responsibility and Governance (ESG)

- Company-generated qualitative and quantitative information about an individual organization's performance in three areas: Environment, Social Responsibility and Governance
- ESG reporting is grounded in the concept of Sustainable (or responsible) Investment — information for those who wish to invest within ethically-defined parameters



ENVIRONMENTAL

Issues connected to responsible use of natural resources, global warming, energy usage, pollution and the like

- Corporate Social Responsibilities as part of Total Rewards



SOCIAL

Factors such as how a company treats its workers, health and safety considerations, and community outreach

- Inclusion and Diversity
- Wellbeing programs
- Sexual harassment
- Workplace safety
- Corporate social responsibility



GOVERNANCE

A focus on topics including business ethics, board structure and independence, executive compensation policies and accounting practices

- Fair pay, gender equality
- Fair labor practices
- Ethical compensation practices aligned with values

Source: Willis Towers Watson and RFK Human Rights Foundation Workplace Dignity Survey, 2019

Psychological safety is essential for healthy company cultures, the most critical factor to making a team work, and essential to activate discussions today

What is psychological safety?

“A shared belief held by members of a team that the team is safe for interpersonal risk-taking and a feeling of confidence that a team will not embarrass, reject or punish someone for speaking up”



Source: “Psychological Safety and Learning Behavior in Work Teams” by Amy Edmondson

1 in 3 employees are not sure if it is safe to speak up at work



Source: WTW U.S. National Norm

Black employees who feel like they *cannot talk about racial bias* at work are **13 times more likely to be disengaged** than black employees who feel like they can talk about racial bias.



Source: Center for Talent Innovation, *Easing Racial Tensions at Work* (2017)

Many leaders feel ill prepared to have meaningful conversations at work about racism and discrimination. **They don't know how to talk about race.**



Talk

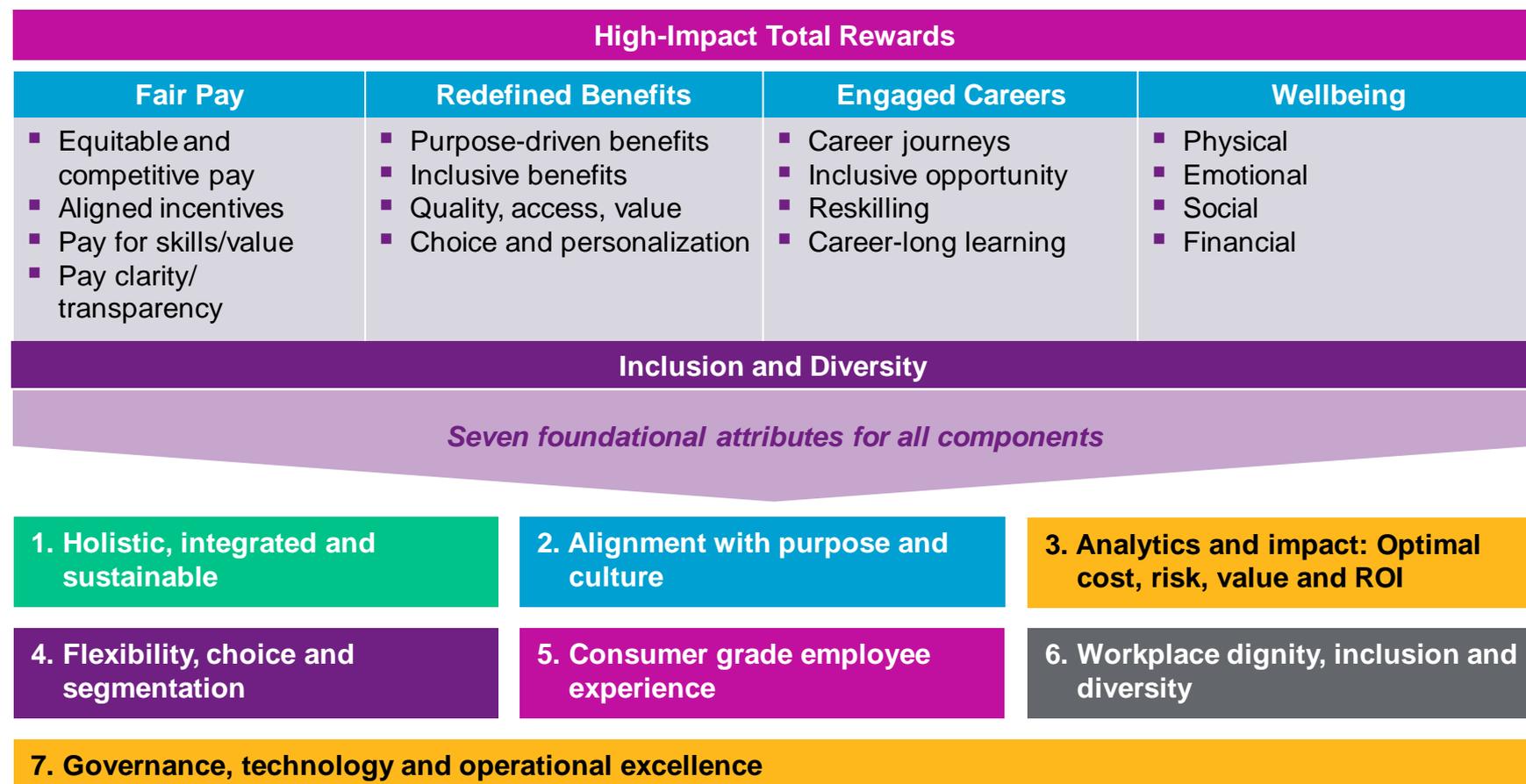


Don't talk

VOICE

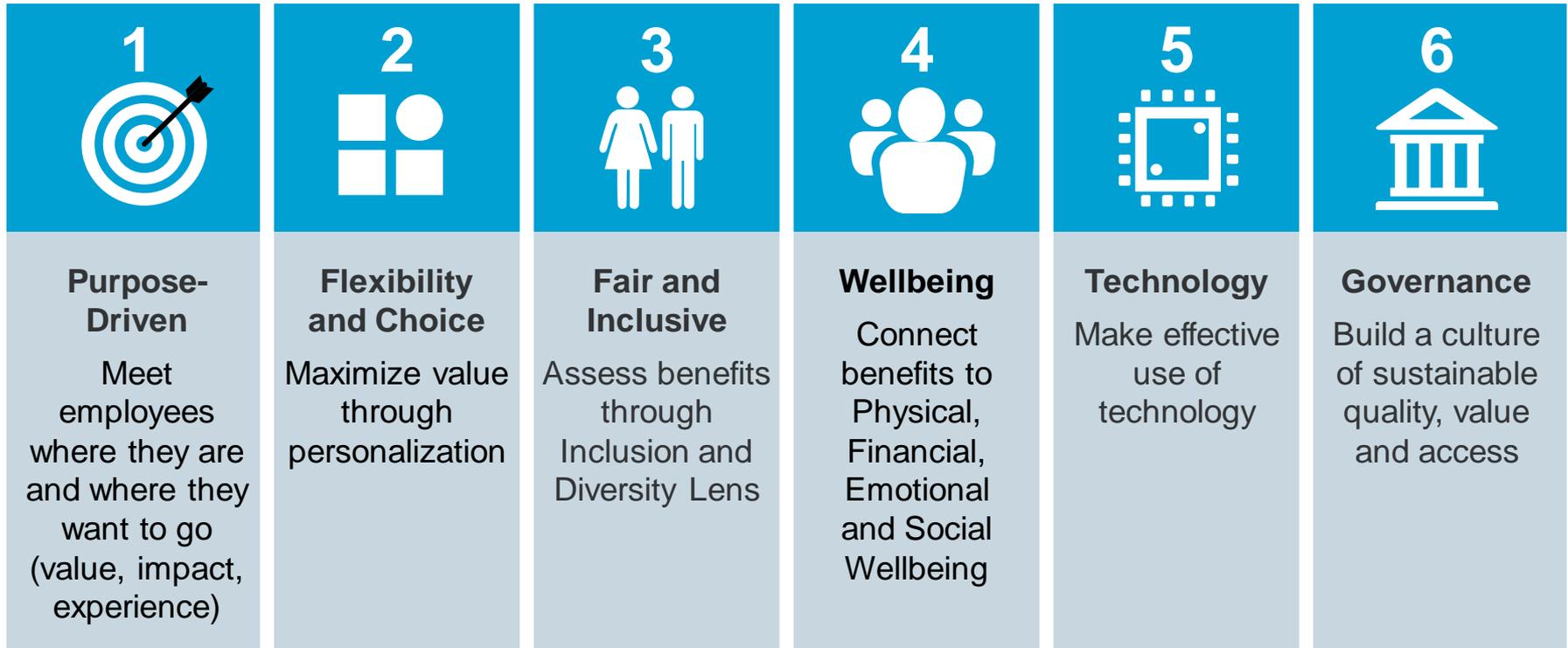
the courage to have it
the compassion to listen for it
the clarity to know its power

Purpose frames Total Rewards through pay, benefits, careers and wellbeing, and remains an essential component of the employee value proposition (EVP)



Benefits

Leading practices



Source: Willis Towers Watson GBAS and Emerging Trends in Health Care Surveys.

Wellbeing – and the connection to purpose

Purpose has broad implications across all areas of wellbeing *and creating human capital sustainability*

The infographic features a central blue square with white text: "Employees are 3X more likely to stay at a purpose-driven company". This central square is surrounded by four colored quadrants, each representing a domain of wellbeing. Each quadrant includes a small image and a text box. The top-left quadrant (Physical) shows a person stretching. The top-right (Financial) shows a smiling woman. The bottom-left (Emotional) shows a man and woman embracing. The bottom-right (Social) shows a man smiling and clapping.

Physical
Having purpose is linked to a number of **positive health outcomes**.

Emotional
People with higher life purpose have more **positive self-image** and have **higher overall wellbeing measures**³

Financial
Purposeful people may be **more likely to save money or make investments that support downstream**.²

Social
People with purpose tend to be **more engaged** with their families, colleagues, and neighbors, **enjoying more satisfying relationships as a result**.⁴

Employees are 3X more likely to stay at a purpose-driven company

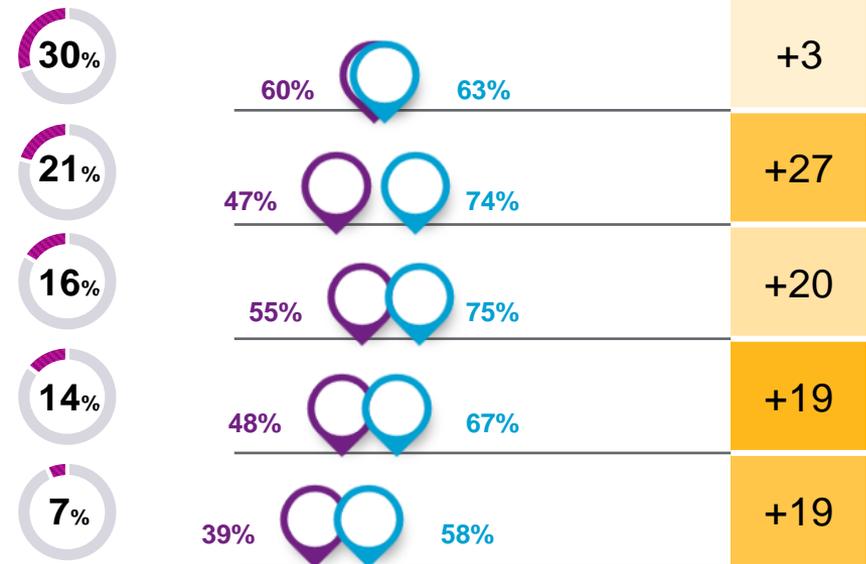
Source: 1. [Modernizing Total Rewards to Drive Human Capital Sustainability](#), WorldatWork, May 2019; 2. [Purpose in life and cognitive functioning in adulthood](#), Aging, Neuropsychology, and Cognition, 24(6), 662-671, DOI:10.1080/13825585.2016.1251549, November 7, 2016. 3. [Purpose in life in emerging adulthood: Development and validation of a new brief measure](#), J Posit Psychol. 2016 May 1; 11(3): 237–245. Published online 2015 Jun 3. doi: [10.1080/17439760.2015.1048817](#); 4. [Why is Life Purpose Important?](#), Taking Charge of Your Health And Wellbeing, University of Minnesota

Enhancing health care choice, navigation of daily life events, and decision support are important priorities for many employers

Employers remain focused on offering/expanding choice in their health benefits

1	Offer/expand choice in health benefits (e.g., expand health plan options, choice in voluntary benefits)
2	Enhance health care navigation
3	Provide benefits decision tools to support employee choice
4	Enhance workplace environment
5	Enhance support of life event transitions (e.g., birth/adoption, move, death, marriage/ divorce, retirement, diagnosis)

Most important priority over the next three years



(% of "To a great extent" or "To a very great extent")

○ Actions taken over last three years
 ○ Importance over next three years

Sample: Companies with at least 100 employees.

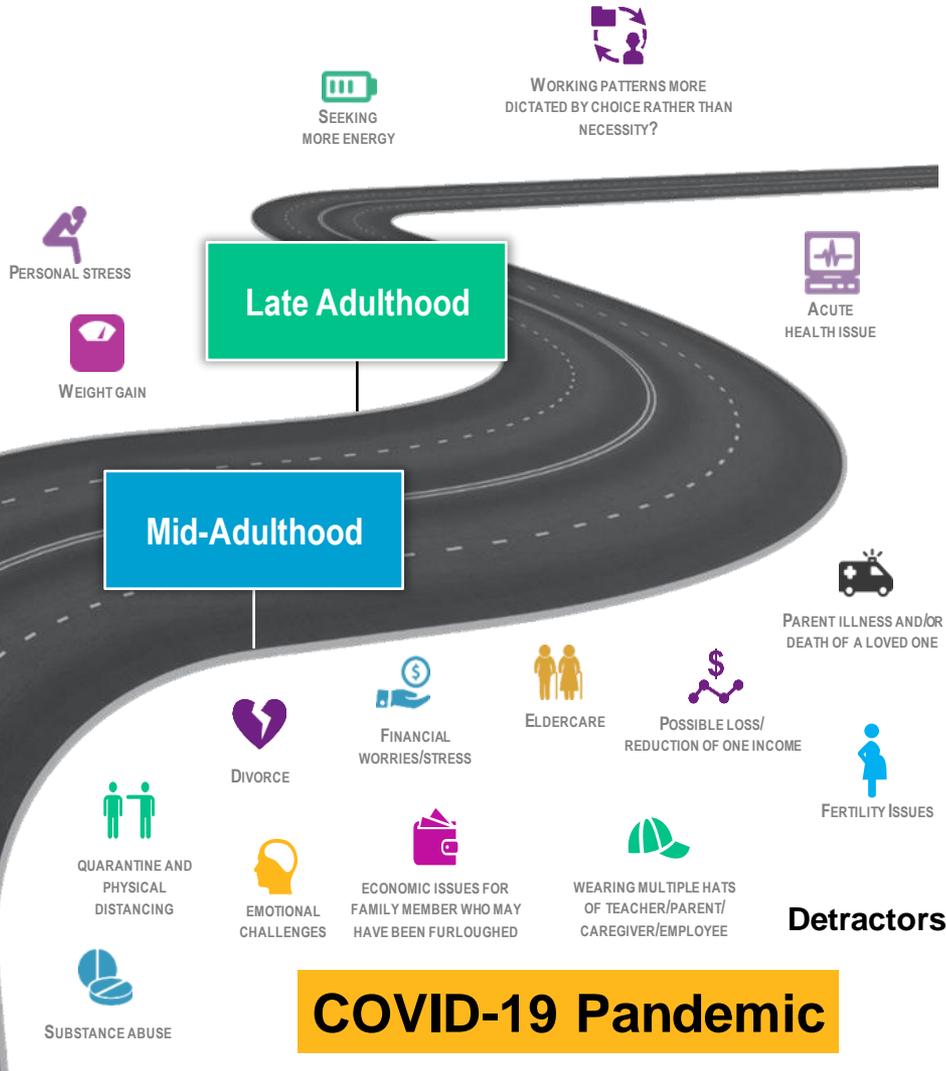
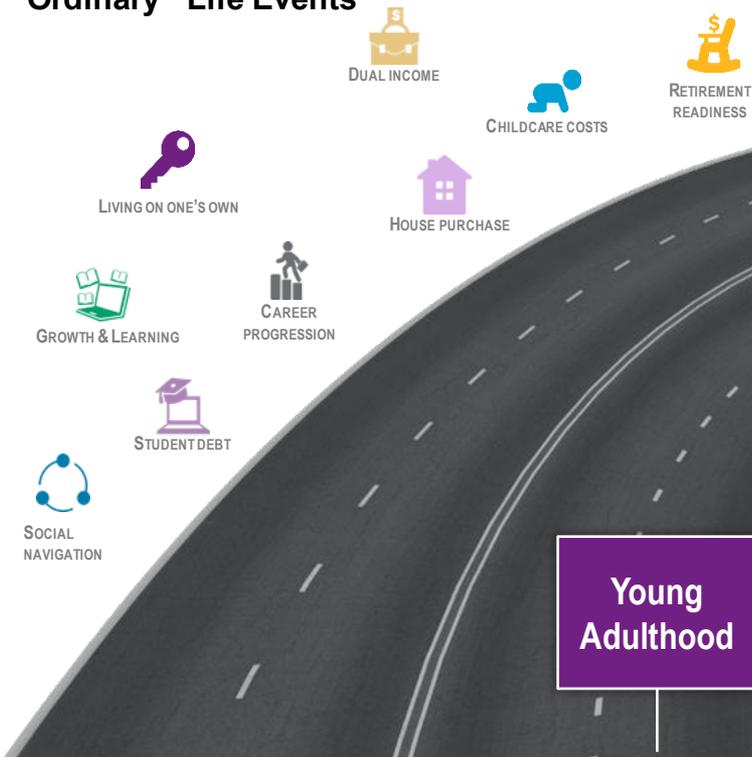
Source: 2019 Willis Towers Watson Emerging Trends in Health Care Survey.

Navigating life's ordinary and unexpected events

Meeting employees where they are *and* where they want to go through a sustainable talent experience

Do the current benefit programs and overall experience meet participants where they are in light of COVID-19?

“Ordinary” Life Events



Please contact one of your Willis Towers Watson team members to discuss our wellbeing and employee engagement.

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