The New Frontier of Performance
Findings from the Inaugural Quality of Life Conference
On May 5-6, 2015, 300 leaders representing 30 nationalities and a vast array of organizations from the private sector, academia, civil society, media, and local and government authorities, convened in New York City for the inaugural Quality of Life conference hosted by Sodexo. The conference was broadcasted live to an international audience on the Quality of Life Observer website, and brought together a diverse group of speakers spanning several generations and industries.

The two days provided a unique opportunity to share ideas and best practices and enrich our vision and experiences, and to take advantage of exceptional viewpoints and presentations that aid us in achieving progress that will truly serve human beings.

For the past 50 years at Sodexo, we have made Quality of Life or mission and our business. We have championed the idea that the wellbeing of women and men must be the primary concern of organizations; ultimately driving their performance.

Today’s economic landscape has highlighted the limitations of our business growth model, which for decades has been based on productivity and consumerism. But the time has come to focus on another crucial task ahead: fostering a more human economy.

Societies and businesses throughout the world are facing the same challenge: finding new resources to allow more balanced growth—growth that delivers not just financial value but also the personal fulfillment that should result from it.

At the inaugural Quality of Life conference we harnessed a collective energy and shared ideas for growth and the future. The report you hold in your hands is the result of key viewpoints and takeaways shared by the thought leaders who presented during keynotes, plenary discussions, and panel sessions. We hope you will find inspiration and ideas for the future and we invite you to continue to engage with us until we meet again at the next Quality of Life conference.
Earlier this year I had the privilege to witness first-hand the convening of a powerful group of individuals spanning the private sector, media, policymaking, and civil society discussing what some of us in the policy world often find elusive: Quality of Life. One notable speaker after another agreed: performance at work is directly tied to quality of life and if we want better, more profitable businesses we need a happy and productive workforce.

Having spent some time in the international policy arena as the editor-in-chief of Diplomatic Courier, the G7 and G20 Summit magazines, I have seen an interesting shift the past decade: world leaders and heads of states have put at the top of policy agendas at these summits topics that used to be considered “soft”. These topics range from food security, climate change, and education of girls, to healthcare and well-being. How did these issues top agendas that used to be riddled by “hard” geostrategic concerns?

Having covered many of these meetings on the ground I have noted that more and more, the private sector, civil society, and society at large now has a bigger voice and stake at these top-level summits. Importantly, this signals a new era for global engagement: the solutions to our world’s largest challenges will not come solely from the political sphere. Other actors are stepping in and in doing so they have filled leadership vacuums and created unprecedented opportunities for cross-sector collaboration.

While we ponder these challenges we often look for those in society whose visionary thinking will lead us to a more enlightened state. The inaugural Quality of Life conference hosted many such leaders; the lineup of topics weaved in issues such as technology, space management, and local communities, which all seemed to bring us back to a simple truth: advancements in technology and society should have made things easier for humanity, but in many ways they have not. What can we, as technologically advanced as we are now, do to improve our quality of life?

I believe you will find many answers and ideas in this report. Piecing these voices together has been one of the most rewarding editorial experiences for me. And I hope that you will continue to engage by offering your ideas in the many platforms Sodexo has created for this global conversation via www.qualityoflifeobserver.com.
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Founded in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve Quality of Life, an essential factor in individual and organizational performance. Operating in 80 countries, Sodexo has 420,000 employees and serves 75 million consumers each day through its unique combination of On-site Services, Benefits and Rewards Services and Personal and Home Services.
To Stand Up for Quality of Life Is to Stand Up for a Certain Idea of Human Progress
For the past 50 years, at Sodexo, we have made Quality of Life our mission and our business. We have championed the idea that the wellbeing of women and men must be the primary concern of organizations ultimately benefiting their performance. What company today is not seeking to enhance productivity and to find new ways of motivating their workforce, to reduce the human and financial costs of absenteeism and disengagement? What hospital CEO would not want to ensure the best conditions for patients to maximize the efficiency of medical care?

By placing the human factor at the heart of our clients’ strategies, our Quality of Life services have centered around the promotion of health and well-being. We have identified them as the six dimensions, which include creating the conditions for collective efficiency, guaranteeing a safe and healthy physical environment, cultivating social ties, encouraging the recognition of individuals, and assisting them in their personal growth.

Studies prove we’ve been on the right track. This is why it was so vital for our organization to convene a global event that brought together all those stakeholders that have made Quality of Life their priority.

Our world is in the throes of profound demographic, sociological, economic and environmental change. This change presents unprecedented Quality of Life challenges. The ageing of the world’s population, the scarcity of natural resources, rampant urbanization and sprawling mega-cities—these are fundamental changes that translate into major upheavals for our society.

At Sodexo, every part of our business has been affected. Whether in hospitals, universities, companies, or working with seniors at home, we occupy a pivotal place in these transformations. We are committed to anticipating them and integrating them into our strategy.
and our services, turning them into springboards for improving Quality of Life for consumers.

The advent of mega-cities, for example, will undoubtedly increase the need for community services to facilitate life for their inhabitants.

Another example of change: in hospitals, patients are no longer simply patients. Beyond the quality of medical care they receive, they also expect an overall experience and process that preserves their dignity.

During our inaugural Quality of Life conference our goal was to reveal some remarkable experiences. We had the unique opportunity to explore compelling topics such as the inter-generational challenges of the world’s population and the impact of climate change on our eating habits. We heard about inspiring initiatives for urban development for the inclusion of local communities.

And against the background of global change we learned how digital technology is turning traditional rules upside down, creating massive disruptions. Progress in genetics and biotechnology allow us to hope that the millions of centenarians in tomorrow’s world will age in good health. The rise in artificial technology and robotics promise to fill the gap in sectors with chronic labor shortages, such as healthcare or certain retail services, to allow professionals to concentrate on tasks of higher added human value.

The arrival of Big Data portends smarter cities and ever more customized services.

And lastly, the development of an increasingly digital and more collaborative economy opens the door to a more constructive dialogue with consumers.

This has already become a reality for Sodexo. Digital technology is enabling our services to be increasingly monitored, co-produced, and even instigated by our consumers. By adapting our services through the data we collect and through a permanent dialogue with consumers, we are able to establish a new level of service standards.

Along with this acceleration of progress however, my conviction, as a CEO and a human being, is that we need to step back and question where humankind stands. The field of possibilities is endless. But in order for progress to benefit the Quality of Life for the women and men who live on this planet, we must define what is desirable.

While these new technologies generate opportunities, they also generate a dizzying amount of questions and uncertainty. As we learned from one of our keynote presenters: new technologies are changing the very functioning of our brain. Scientists are telling us that babies born in this current decade have a life expectancy that could reach 150 years or more. They say we will become capable of “enhancing” ourselves physically and mentally; that we won’t get sick anymore, and that we will be able to connect our bodies directly to information networks.

What will our society look like when our “golden years” and post-golden years make up half of our lives?

Some studies predict that more than half of all jobs may be carried out by robots. So what jobs will be available in the future? This is a societal question, because the consequences of widespread unemployment could be significant.

More than ever before it has become necessary and even vital to combine progress and purpose. The goal of progress should be to preserve the essence of what it means to be human and to be of greater benefit to humanity.

New technologies should be an additional opportunity to care for one another—they should be the engine for inclusion and this kind of progress (human rather than de-humanized) sets out to respect basic principles. Organizations need to ensure that individuals are respected for their individuality. They must continue to strengthen bonds between them and create conditions for positive interaction.

In companies, for example, many employees will be required to spend less time in a fixed location. They will have the opportunity to work from home or in a satellite office closer to where they live. Interactions with colleagues will be conducted in ways designed to be efficient and effective.

But the psychological context associated with these working conditions will be profoundly different from what it is today. Employees will have to be supported in new, innovative and practical ways to allow them to develop feelings of community and belonging.

At the Quality of Life conference we had the opportunity to discuss this shift from two different angles: the revolution in intelligent workplaces, and new recognition capabilities that will allow employees to be retained and motivated in this unprecedented context.

In the near future, our company will primarily be in the business of facilitating human relations. The clearest demonstration is with in-home care for seniors. A third of the population will be over 60 years old in 2050.

If ageing represents undeniable progress, it will also yield new challenges. If more of us will be living longer, will more of us be living alone? How will we care for and provide companionship for our ageing populations? Some people see robots, which are already capable of conducting a conversation and reacting to questions, as ideal companions for isolated or elderly people. But while these robots may be able to help perform various chores, will they also be able to simulate feelings of empathy?

Here again, our commitment to Quality of Life pushes me to see this evolution not as an opportunity to envision which new services to robotize. I see it as a chance to discover which new services humans, freed from the most mundane or labor-intensive tasks, will be able to perform for other humans. Because even when we are surrounded by robots, we will continue to be driven by our interest in other people and by the desire to connect with them, and this will continue to make us full-fledged human beings.
As a company and as the world’s 18th largest employer, Sodexo has another essential mission, which is to show that it is possible to build a social model that can bring about lasting progress and Quality of Life for our employees.

The “on-demand” economy has been a game-changer for markets, and it favors new modes of working that are more collaborative and flexible but which can also be more precarious. In the wake of these innovations, companies must be careful to preserve the essential role of employment: providing employees with a real place in society.

Because having a job—especially in the service industry means more than taking home a paycheck. It means acquiring status and making a contribution to society and taking pride in being able to support a family. It means being able to send children to school. And it means being able to afford an education or medical care.

It’s about increasing the range of opportunities for every individual and his or her loved ones. We treat them as individuals but we also consider them as the essential part of a larger whole of the local economies and the global dynamic they create.

Being able to count on a stable income, within a solid working environment, opens career perspectives. That is a sustainable and essential commitment we must all get behind: creating steady jobs is an economic imperative if we want our societies and our businesses to have a future.

“For the past 50 years, at Sodexo, we have made Quality of Life our mission and our business. We have championed the idea that the wellbeing of women and men must be the primary concern of organizations ultimately benefiting their performance.”

WHAT ARE THE 6 DIMENSIONS OF QUALITY OF LIFE?
Drawing upon extensive research combined with 50 years of experience with clients and employees, Sodexo has identified 6 dimensions of Quality of Life upon which its services have a direct impact.

<table>
<thead>
<tr>
<th>1 PHYSICAL ENVIRONMENT</th>
<th>4 HEALTH AND WELL-BEING</th>
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</thead>
<tbody>
<tr>
<td>Everything that contributes to an individual’s comfort and sense of safety.</td>
<td>Factors that contribute to a healthy lifestyle, such as nutritious meals, a well-balanced diet and exercise.</td>
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</tbody>
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<table>
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<th>2 SOCIAL INTERACTION</th>
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<tbody>
<tr>
<td>All factors that strengthen bonds among individuals and facilitate access to culture and leisure.</td>
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<th>3 EASE AND EFFICIENCY</th>
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<tr>
<td>All factors that impact an individual’s ability to carry out activities smoothly and with minimal interruptions.</td>
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<th>5 RECOGNITION</th>
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<tr>
<td>All factors that allow an individual to feel truly valued.</td>
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<tr>
<th>6 PERSONAL GROWTH</th>
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<tr>
<td>Everything that allows an individual to learn and progress.</td>
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For over 50 years, the OECD has promoted policies to improve economic and social prosperity for people around the world. The organization’s research has found that quality of life depends on jobs, education, and health.

As the OECD has worked to advance its goals, it has seen benefits derive from greater collaboration between the public and private sectors. In fact, in May 2013, Sodexo and the OECD embarked on a three-year partnership to better understand and to promote Quality of Life as a factor of progress and development. This initiative is just one example of public and private sector leaders working together on strategic priorities, such as improved well-being worldwide.

Government and society’s leaders have a responsibility to reduce inequality and improve well-being, asserted Mari Kiviniemi. She has a unique perspective on societal issues as the OECD Deputy Secretary General and former Prime Minister of Finland.

In recent years, countries worldwide have been seeking stability in the wake of the economic crisis. Many OECD nations have promoted reforms that are bearing fruit.

Others, however, continue to struggle with low growth, stubborn unemployment, and acceleration in inequality. The situation in emerging markets and developing countries is worse.

Reducing inequality is economically intelligent, as well as a moral, social, and political imperative. OECD analyses show that high levels of inequality harm long-term economic growth. Inequality touches every area of life, including employment opportunities, access to education, and the ability to lead a long and healthy life. People in disadvantaged communities are less likely to have access to good schools than their wealthier peers. Since education and skills are crucial for finding quality jobs, this sets residents of disadvantaged communities on a predetermined path of hardship.

Inequality also imposes a cost on our democracies by decreasing trust and engagement. Across the OECD, the percentage of people who trust their governments slumped to 42% in 2014 according to the Edelman Trust Barometer. Trust in institutions, media, and business has also decreased. The majority of Barometer respondents (81%) believe that companies can take specific actions...
to increase profits and improve the economic and social conditions in the communities in which they operate.

The world is making well-being a priority.
Countries around the world are recognizing that GDP doesn’t tell the whole story about the health of an economy. The Sodexo-Harris survey, “How Leaders Value Quality of Life,” found that two thirds of top managers in corporate, healthcare, and educational institutions in both developed and emerging countries felt that improving quality of life is a strategic priority.

Kiviniemi described several initiatives that aim to measure and improve well-being:

The OECD Better Life Initiative. Through this program, the OECD is measuring and comparing where countries stand on a range of well-being measures such as health, work-life balance, education, income, and more. The initiative also includes the Better Life Index (www.oecdbetterlifeindex.org). This web-based tool invites citizens to create their own well-being index and share their views with the OECD. To date, the site has received over six million visits from about every country in the world. Over 90,000 people have shared their views on what is most important for their lives. Health, education, and being satisfied with one’s life topped the list.

National well-being indicators. The world is making well-being a priority. National well-being indicators are under development in the United Kingdom, Japan, Austria, Mexico, and more.

Industry initiatives. Leaders from companies like Sodexo and Steelcase are implementing well-being policies at a faster rate in many cases than governments.

Jobs, education, and health are essential for a high-quality life.
Government policies aren’t enough to improve well-being and in fact, ongoing government austerity measures have imposed a high cost on citizens’ well-being. More collaboration is needed between the public and private sectors. The OECD has found that there are three areas critical to improving quality of life:

Jobs. Having a job is one of the most powerful determinants of quality of life. However, the number of young people who are not in school, employed, or in training is alarmingly high in many countries. This hinders their ability to get jobs and when they do, they are often short-term or insecure contracts that lack long-term prospects or development opportunities. The good news is that implementing policies to improve job quality does not result in fewer jobs. More work needs to be done to generate more jobs, as well as better jobs.

Education and skills. Everyone, regardless of wealth, race, creed, or gender, should have access to high-quality education and training opportunities. College graduates entering the labor market today earn less today than their peers did in 2000. It is likely they will remain stuck in jobs below their expectations and at a lower wage scale for many years to come. Schools must prepare students for a world where they are constantly adjusting to new technologies, new business models, and new ways of working. People also must become skilled at teamwork, entrepreneurship, flexibility, and resilience.

Health. Making health systems sustainable is a major task for all industrialized and aging countries. Digital solutions can improve cost efficiency. Many opportunities exist for new and meaningful investments that will meet healthy living needs and ensure productivity and lower health costs in the long run. Certain malfunctions in the public health system could, if corrected, generate improvements in Health and economic growth. When people are physically ill, they generally get treated, but this is not always the case when they are mentally ill. It is important to note that no chronic disease takes as large a toll on society as brain disease and mental illness. The OECD estimates that getting mentally ill people back to work could increase employment by 5%.

“In May 2013, Sodexo and the OECD embarked on a three-year partnership to better understand and to promote Quality of Life as a factor of progress and development. This initiative is just one example of public and private sector leaders working together on strategic priorities, such as improved well-being worldwide.”
One of the great economic eras in world history is nearing its end, and we are beginning to get a glimpse of the completely new economic paradigm that will emerge over the next 25 years. To understand the transition that is occurring, Jeremy Rifkin suggested stepping back and assessing how great economic paradigm shifts occur throughout history. This understanding provides a roadmap for navigating the next stage of the human journey. Rifkin sees the new economic paradigm as characterized by the convergence of three key technologies—communications, energy, and transportation—which in the coming era will be connected via the platform of the Internet of Things. This Internet-driven third industrial revolution is driving down marginal costs to near zero in multiple industries. This near-zero cost economy will change capitalism. Coupled with extensive sharing of information, cars, and more, more people will have more access to more products and services at low costs or near free, leading to an improved overall quality of life. Rifkin sees the economic paradigm that will emerge as a leap forward for the human race.

Economic paradigm shifts share a common denominator: key technology changes impacting the infrastructure.
Historically, great economic paradigm shifts have shared commonalities: all occurred when defining technologies emerged and then converged to create a new infrastructure organizing economic life. At this time the defining new technologies that are converging are:

- **Communication technologies.** New communication technologies enable more efficient management of economic activity.
- **Energy technologies.** New technologies are producing new low-cost sources of energy that are powering economic activity.
- **Transportation technologies.** New modes of transportation and logistics allow for more efficient movement of economic activity.

The Internet is driving the next-generation economy.
The second industrial revolution is drawing to a close, as an economy tied to fossil fuels becomes less sustainable.
The third industrial revolution has begun, with the Internet at the helm. The Internet is driving all parts of the economy including all manner of communication and is converging with a digitized renewable-energy Internet and with a digitized, automated GPS-guided-transport Internet.

This super Internet of communication, energy, and transport rides atop a new platform—the Internet of Things—which allows constant monitoring across the value chain. The Internet of Things already has 14 billion sensors monitoring all types of activity, from agriculture fields to factory floors to homes and vehicles. By 2030, Rifkin believes there will be 100 trillion sensors, allowing every device and machine to share data with other machines and with people.

With data from the Internet of Things, anyone can use analytics and applications to increase productivity, reduce marginal costs, and stay competitive in what will be the most productive global economy in the history of the world.

Marginal costs and sharing go beyond virtual bits; the physical world is already impacted.

There is no firewall between the virtual, information-based world and the physical world when it comes to the sharing economy. Already, energy, automotive, and manufacturing are seeing the impact of the near-zero marginal cost sharing economy on their industries.

“Some of the biggest industries of the 20th century have been completely disrupted, but thousands of new enterprises have emerged.”

<table>
<thead>
<tr>
<th>Technology in Economic Paradigm Shifts</th>
<th>First Industrial Revolution (19th Century Britain)</th>
<th>Second Industrial Revolution (20th Century United States)</th>
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<tbody>
<tr>
<td>Communication</td>
<td>• Printing moves from manual to steam-powered</td>
<td>• Telephone</td>
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<tr>
<td></td>
<td>• Telegraph</td>
<td>• Radio</td>
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<td></td>
<td></td>
<td>• Television</td>
</tr>
<tr>
<td>Energy</td>
<td>• Cheap coal</td>
<td>• Cheap Texas oil</td>
</tr>
<tr>
<td></td>
<td>• Steam engine power</td>
<td>• Internal combustion engine</td>
</tr>
<tr>
<td>Transportation</td>
<td>• Locomotives</td>
<td>• Cars, buses, and trucks</td>
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As marginal costs drive to zero, some goods and services will become part of the sharing economy.

As the Internet of Things drives down some marginal costs to near zero, those particular goods and services with low marginal costs are becoming abundant and virtually free, which is resulting in a new economic paradigm: a sharing economy. Still in its nascent stages, this sharing economy will grow and flourish alongside capitalism, creating a hybrid marketplace.

The impact of digital technology on decreased marginal costs and increased efficiencies is already visible in the information marketplace. Every day, millions of “prosumers” produce, consume, and share music, videos, and blogs via the Web at a near zero cost. Six million students around the globe are using digital technologies to take free courses with the best professors at top universities and receive college credit.
“When communication, energy, and transportation technologies converge, they fundamentally alter the way we manage, power, and move economic life.”

Jeremy Rifkin

Green Energy
The marginal costs of harvesting green energy—solar, wind, geothermal, and hydro-biomass—are heading toward zero. The fixed cost of these energy-harvesting technologies is on an exponential curve, like the costs of computing technologies. In 1978, the cost of generating a solar watt was $78; in 2015 the cost is $0.36, and continues to head toward zero.

The impact is already seen in Germany, where 27% of electricity generated today is through green initiatives, with numbers expected to rise to 35% by 2020 and 100% by 2040. The green energy initiative in Germany was driven not by the four big power companies, but instead on a grassroots basis by millions of Germans—urbanites, farmers, and small businesses—who created electricity cooperatives, which are shared commons. Today, the country’s big four power companies are producing less than 7% of Germany’s energy.

Car Sharing
The up-and-coming transportation Internet is based on car sharing. GPS technologies and the Internet allow potential riders to connect with a driver who is within minutes of their location and who will drive the passenger for a nominal fee. In both urban and rural areas, younger generations are moving away from car ownership, and are instead ride sharing with these technologies.

This is already impacting the automotive industry. For every car shared today, 15 cars are eliminated from production. Former executive vice president of General Motors, Larry Burns—now a professor at the University of Michigan—did a study in Ann Arbor, Michigan and found that 80% of all vehicles could be eliminated, based on the current Internet of Things platform. This amounts to eliminating 800 million vehicles in the next generation, and the greenhouse gas emissions that go with them.

3D Printing
The rise of 3D printing is driving the low marginal cost-sharing economy in manufacturing. Today, users are sharing open source 3D printing software. Materials used in printing are coming from recycled materials that are collected at a low marginal cost; 3D printing uses one tenth of the materials used by traditional factories. Some European fabricators are even using their own renewable energy off micro-grids to power their 3D printing factories.

Economics is governed by the laws of thermodynamics.
Lagging aggregate energy efficiency—the ratio of potential to useful work—can be explained by the laws of thermodynamics, which also governs economics.

The first law of energy is that it can neither be created nor destroyed; it is a constant. The second law is that energy can change from available to unavailable, from organized to dispersed.

In 1905, the United States started the second industrial revolution with 3% aggregate energy efficiency across the value chain, meaning that 97% of the energy put into products and services was lost in the conversion. U.S. aggregate energy efficiency peaked at 13% in the 1980s and reached 22% in Japan in the 1990s.

The new Internet-based platform for the third industrial revolution can take the United States from 13% aggregate energy efficiency to 40% within 20 years.
Countries need to reprioritize existing investments to pay for the new infrastructure.

To get the aggregate energy efficiencies in this third industrial revolution, countries need to build the infrastructure that supports the Internet of Things. Countries are already spending large amounts of money on outdated public and private infrastructure, even in down economies. In 2012, Europe spent $741 billion on infrastructure. Rifkin says these investments need to be reprioritized in every country to build for the future.

The rollout of a digital economy will engage every industry, creating jobs to build the infrastructure, and will create a more efficient, productive, clean, democratic, and sustainable value chain. Converting existing buildings, electricity lines, and even roads to support the new economy will engage two generations in unskilled, skilled, and professional labor.

As the automated capitalist market takes over, people will continue to contribute, but the market will move to a social economy. These human-facing jobs—like childcare, assisted living, health, education, environmental remediation, culture, and sports—can only be done by humans; machines won’t suffice. This is seen even today, where the non-profit sector is the fastest growing employment sector in 42 countries.

Climate change is a wild card for the planet. The new economy may help improve quality of life.

Climate change is the wild card that no one wants to talk about or acknowledge, even though it is greatly impacting the Earth’s water cycles. For every 1° that the temperature increases from global warming emissions, the atmosphere takes in 7% more water. This is leading to more violent rains and winter storms and more dramatic spring flooding and summer droughts. The change is causing more intense hurricanes, tsunamis, and typhoons that are devastating infrastructure and killing people in low-lying countries.

The potential for higher aggregate efficiencies in the third industrial revolution are a chance to address global warming and climate change. Businesses, families, and countries can monitor data in real time to dramatically increase efficiencies, allowing them to use less of the Earth’s resources. The sharing economy leads to even further reduction in wasted resources, as everything is redistributed, and nothing ends up in the landfill.
The next generation of leaders will bring a fresh new perspective to organizations around the world. Compared to today’s leaders, these young people attach more importance to quality of life—both their own quality of life and that of people around them. Young leaders seek autonomy from employers, flexibility, and resources, and they will reward employers that provide these attributes with entrepreneurial spirit and innovation. When young leaders are running the organizations of the future, quality of life considerations will be a strategic priority. Polls, such as Sodexo’s Quality of Life International Study, reveal that young future leaders rate quality of life as the most important factor in organizational performance.

Today’s leaders have a responsibility to guide and encourage these up-and-comers to invest in human capital in ways that will spread opportunity and prosperity more broadly—that was Magic Johnson’s message to the participants of this mixed-generation panel as he addressed the group by video.

Matthew Bishop interviewed the panelists about the priorities and attitudes of their respective generations, particularly quality of life considerations.

On the panel were three of those future leaders: Celine Göbel, Esther Soma, and Paras Fatnani. They articulated the attitudes of their generation as they responded to thought-provoking questions by Matthew Bishop. The three contemporary leaders on the panel are accomplished leaders in the fields of advertising—Shelly Lazarus—research science—Dr. Sanjeev Sahni—and healthcare—Kristy Waters. Their self-described generational flaws included precisely the workaholic, unbalanced lifestyles from which the young leaders recoil.

Generational Views
The panelists discussed what they liked most and least about their own generation’s idiosyncrasies.

What today’s leaders like most: Today’s leaders were given kudos for opening minds to what disenfranchised segments of society could achieve. They paved the way for women and minorities to do things they previously couldn’t, such as lead large corporations. Boomers also forged strong social support systems. And while they didn’t do too well at achieving work/life balance, they introduced the aspiration of “having it all.”
Quality of Life: The New Frontier of Performance

Presenters:
Dr. Sanjeev Sahni, Principal Director, Jindal Institute of Behavioral Sciences
Esther Soma, Student, Yale University
Kristy Waters, Senior Vice President, Performance Management and Innovation, Tenet Healthcare Corp.

Drivers of Performance, Ranked By:

<table>
<thead>
<tr>
<th>Young Future Leaders</th>
<th>Leaders of Today</th>
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<tbody>
<tr>
<td>1. Quality of Life</td>
<td>1. Quality of Products &amp; Services</td>
</tr>
<tr>
<td>2. Quality of Products &amp; Services</td>
<td>2. Business &amp; Financial Strategy</td>
</tr>
<tr>
<td>3. Innovation, Research, &amp; Technology</td>
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In March 2015, Sodexo and Harris Interactive conducted an online survey on 1,000 students in 5 countries (Brazil, France, India, the UK, and the US) to explore how the next generation of leaders perceive and tackle the topic of Quality of Life. Earlier in the year, a survey had been carried out on 780 decision makers from three different sectors (Companies, Hospitals and Universities) across six countries (Brazil, China, France, India, the UK and the US). The idea was to better understand how different generations view the topic of Quality of Life and identify commonalities and differences between the two generations.

What today’s leaders dislike: Today’s leaders as a group tend to be workaholics. Particularly now with 24/7 connectivity, they have forgotten how to relax. Their personal quality of life has taken a back seat to the priorities of their organizations and careers.

What future leaders like most: They are passionate, creative, entrepreneurial, and full of belief in themselves. They see what is possible in ways that older generations couldn’t. They are using today’s technology to create new types of businesses and solve problems in innovative ways. Their entrepreneurial start-ups will be tomorrow’s major corporations.

What future leaders dislike: Each young leader offered a different negative. Millennials tend to be impatient, looking for instant gratification; and are immersed in technology. Millennials sometimes lose sight of personal values.

The next generation of leaders prioritizes quality of life.
Polls reveal that younger and older generations think differently about the components of organizational success. While 69% of young future leaders said they “totally agree that improving quality of life would have an important impact on the performance of their organization,” only 57% of current leaders do. Asked to rank seven corporate priorities that affect performance, quality of life topped the list for future leaders, but came in fifth for current leaders.

“We started an endless conversation about quality of life and balance, yet never lived what we talked about.”
Shelly Lazarus, Chairman Emeritus, Ogilvy & Mather

Attitudes about quality of life already are changing how corporations operate.
Shelly Lazarus presides over Ogilvy & Mather, a firm with 20,000 employees, more than half under the age of 30. They care greatly about personal work/life balance, which is an important aspect of quality of life.

But what they really seek is freedom to live the lives they want. The firm tries to provide that, but it is not always easy.

How can an organization give employees the freedom to do what is important to them and still meet corporate objectives? Google has it right, said Ms. Lazarus. A Millennial-style company, Google would never order people to put in long hours. But by offering lavish free meals, the company accomplishes the same result. Some employees rarely leave, and lots of creative collaboration is accomplished over meals. Employees’ personal and professional lives are happily melded, and they feel in control of their own work/life balance.

In March 2015, Sodexo and Harris Interactive conducted an online survey on 1,000 students in 5 countries (Brazil, France, India, the UK, and the US) to explore how the next generation of leaders perceive and tackle the topic of Quality of Life. Earlier in the year, a survey had been carried out on 780 decision makers from three different sectors (Companies, Hospitals and Universities) across six countries (Brazil, China, France, India, the UK and the US). The idea was to better understand how different generations view the topic of Quality of Life and identify commonalities and differences between the two generations.
Kristy Waters explains that Tenet Healthcare has made operational adjustments in the interest of its doctors’ quality of life. To allow doctors more time off than was typical, patients are often seen by multiple doctors. Quality and continuity of care are maintained because doctors stay in close communication, aided by technology (such as electronic health records). Recent years have also seen a paradigm change in healthcare toward promoting patient wellness and quality of life.

What expectations do today’s students hold of organizations that will be their employers? Quality of life figures highly into their thinking. More important than salary, said Celine Göbel, will be benefits that allow her future family to be well provided for.

Sanjeev Sahni researches biofeedback, specifically how people can increase their own happiness by controlling stress via relaxation techniques. In his view, what employees—particularly those shouldering family responsibilities—most want from their organizations is freedom from anxiety. In India, many middle-aged workers have two big anxieties: 1) their children’s education; 2) good hospitals for their parents. To the extent that companies can address employees’ family-related anxieties, they will promote employee happiness.

Recognition for work well done is another major factor in eliminating stress at work, said Dr. Sahni. Incentive bonuses and benefits, therefore, may be more important than salary in promoting employee happiness and quality of life.

Millennials also look for employers that offer the flexibility and resources to work in their own ways, entrepreneurial fashion, within an organizational structure. Many Millennials are eschewing corporate life entirely in favor of starting their own companies, since little start-up capital is required in the Internet age.

THE FUTURE LEADERS INITIATIVE

Sodexo firmly believes that the next generation of leaders are stakeholders in the global conversation on Quality of Life. They will play a critical role in shaping how Quality of Life impacts the progress of individuals, generates harmonious growth and establishes the new frontier of performance.

The Sodexo Future Leaders Initiative was launched in 2015 to create a meaningful and long-lasting dialogue with students and young professionals worldwide. The first milestone of the program was the participation of seven exceptional young people at the inaugural Quality of Life Conference in New York City.
“Our generation cares a lot about how to make ourselves happy and keep everyone around us happy... having that autonomy, that freedom to do things our way, has given us a chance to grow.”

Paras Fatnani, Ambassador for India, One Young World

“lt is incumbent upon older leaders to mentor up-and-coming leaders in three important ways, said Magic Johnson, speaking to participants via video: Encourage young leaders to invest in urban communities. With $2 trillion of disposable income among African Americans and Latinos in U.S. cities, the business opportunity is great.

Embrace cultural differences and provide internships to underprivileged minority students.

Fill the jobs of tomorrow by building a workforce with strong STEM skills. Ensuring that all students have access to the technology needed to compete academically is a big part of building a skilled and inclusive future workforce.

“It’s our turn to give back, to improve quality of life for others. . . . Each of us has the power to inspire future leaders. It’s not only an investment in the future but it’s our obligation.”

Earvin “Magic” Johnson
We live in a society of 24/7 connectivity, where burnout is glamorized and people brag about working all night. Corporations push employees to their limits. Yet we know better. We know that stress kills and that tired employees aren’t innovative or productive. In the singular pursuit of “success,” defined narrowly as money and influence, we have forgotten our human needs for rejuvenation. We have forgotten that any measure of success must include living a long, happy life.

For people and organizations to be sustainably prosperous, quality-of-life considerations must be front and center. Leaders need to tune into their own quality-of-life needs to make optimal decisions for teams and organizations. A monumental societal shift is coming, bringing a new appreciation for the importance of quality of life. In the future people may look back at how we live today, wondering what were we thinking.

Arianna Huffington discussed the unsustainability of modern lifestyles and corporate practices that encourage burnout, and her belief that society is entering a new era that places much more significance on quality of life. The seven panelists who subsequently joined her have dedicated their careers to enhancing quality of life, each in a different way. Lionel Zinsou runs a French private equity firm focused on businesses that improve lives in developing nations. Ron Oswald is committed to ensuring that organizations allow workers access to their rights. Shannon Brown, Susan Frampton, and Sattar Bawany all train professionals—Army generals, doctors, and South East Asian executives, respectively—with a focus on cultivating their capacity for empathy, engagement, and human connection. Dan Cockerell discussed a company where creating happiness is a business imperative, Disney. If Huffington is correct, today’s narrow interpretation of success will be expanded to include living a long and happy life by serving our own human needs for health and rejuvenation, and by encouraging the same in those we influence. For people and organizations to be sustainably prosperous, she argues, quality-of-life considerations must be front and center.

A shift in the priorities of Western culture is long overdue.

Eight years ago, Arianna Huffington—burnt out and sleep deprived—collapsed while working. She hit her head
on her desk and broke her cheekbone. She considers herself lucky, as without that wake-up call alerting her to the unsustainability of her lifestyle, she might have had a heart attack by now.

Such fates are remarkably common in our society. A full 75% of healthcare costs reflect illnesses that are preventable with lifestyle changes, such as heart attacks, high blood pressure, and diabetes. Excessively stressful lifestyles are increasingly prevalent with 24/7 connectivity.

Consider:

Studies have shown that most people return from vacations more tired than they were before since they have been working doubly hard to both be present for family members and keep up with work demands.

Multi-tasking is not the mark of hyper-productivity, as conventional wisdom holds; quite the opposite. Multi-tasking is stressful, and no one performs as well under stress. Organizations need to recognize that they pay a price in employee productivity and creativity when they push people to their limits.

Sleep deprivation is the stuff of boasts. Yet the deleterious effects of insufficient sleep are no secret. Scientific findings validate the ancient wisdom that sleep, meditation, and time to recharge are essential. Professional athletes would never risk competing without adequate sleep and proper nutrition. Lack of sleep is just as detrimental to mental performance as physical performance.

Leaders make their worst mistakes when they are ignoring their own well-being. When leaders are neglecting their own needs, they certainly aren’t prioritizing the quality-of-life needs of their people.

People’s resumes often bear little resemblance to their eulogies. We are not spending our days in ways aligned with the values people will remember us for. We spend our days chasing success, as defined narrowly in Western culture by money and influence. It is time for an expanded definition that includes a high quality of life.

**We are on the cusp of a new, more enlightened era that prioritizes quality of life.**

Energized, healthy people who prioritize quality of life are vastly more productive and creative, and make better leaders. The evidence is measureable on organizations’ bottom lines. The problem is that most leaders, and most people generally, don’t realize the importance of quality of life.

Arianna Huffington believes this will soon change. She expects the societal mindset shift will be “as huge as moving from the Middle Ages to the Renaissance.” Five years from now, she predicts, a CEO won’t be able to say in public that he expects his chief of staff to be available 24/7. It will be an antiquated viewpoint and a potential HR issue. Initiatives that Huffington and others are doing to drive change include:

- She wrote the book *Thrive* to wake up the world to the necessity of prioritizing quality of life.
- The Huffington Post has introduced stress-reduction and quality-of-life-promoting practices into its workplace (in all global locations); e.g., nap rooms. A “no-device meetings” policy has boosted meeting productivity and shortened their length.
- Other companies are following suit with relaxation initiatives like vacation email policies and yoga and meditation classes. Aetna has partnered with Duke University researchers to measure the results of such initiatives in business terms. After implementing quality-of-life practices, employee productivity improved by 62 minutes per week and 7% was shaved from healthcare costs.
- An editorial initiative of the Huffington Post, “What Works,” has begun to track organizational quality-of-life practices around the world to help accelerate their scaling up.

Improving quality of life is important for people everywhere; not just the denizens of corporate life. The panelists represented a wide swath of organizations focused on improving the quality of life of people in diverse circumstances:

- Shannon Brown teaches future U.S. Army generals that “they can’t break their people.” The challenge is that the military’s strong service culture has traditionally gone hand in hand with the notion of self-sacrifice. While service is a critical component of quality of life, self-sacrifice to the point of unhappiness has no place.
- In training doctors, Susan Frampton emphasizes empathy and compassion. Caring providers bring a powerful health-promoting tool to their work. A lesser-known quote of Hippocrates: “It’s more important to know the person with the disease than it is to know what disease the person has.”
- Disney is a purveyor of happiness. Its business model depends on repeat visits, said Dan Cockerell, so guest happiness is a business imperative. He observed that a powerful tool for leaders who wish to promote quality of life in their organizations is to model those priorities.

“The supreme irony is that living as we do doesn’t just make us unhealthier and unhappier, and create problems for our relationships; it also makes us less productive”

Arianna Huffington, Chair, President, & Editor-in-Chief, The Huffington Post Media Group

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**Quality of Life: The New Frontier of Performance**

**Perspective**
Lionel Zinsou runs a French private equity firm whose investors demand metrics showing that the companies invested in are making a positive difference in the lives of people in developing countries. This is a new and important trend in private equity, and hopefully a growing one. In Africa, promoting quality of life sometimes means protecting life itself.

Ron Oswald’s organization convinces companies to provide the mechanisms by which employees can access their rights. The Universal Declaration of Human Rights includes the right to join a labor union. People on minimum wage cannot access that right. Examples of corporations that have stepped up to meet the challenges of this issue include Sodexo, Unilever, and Coca-Cola. But many remain in denial, owing partly to pressure from financial markets.

Erika Joergenson works to feed the ultra-poor through the UN’s World Food Programme. Two points she made are: 1) the work can’t be done without the partnership of many diverse organizations; and 2) beneficiaries themselves need to be engaged—trained to produce food, provided with guaranteed markets, and helped to lift themselves out of poverty.

Sattar Bawany coaches executives in South East Asia, where he teaches leaders to create cultures of trust within their organizations. Employees and their families always come before customers, as employees are an organization’s most important stakeholders. Good leaders require self-awareness, a trait that is sorely lacking, in his view.

Barriers to quality of life include the pressures of modern life and widening income inequality. Among the barriers to perpetuating quality of life, the panelists noted:

Pressures of modern life. With busy lives, people often prioritize their time in ways that don’t align with their values. For example, parents often say they will teach their kids to give back to the community but don’t prioritize it and thus don’t do so. Doctors may say they will spend more time getting to know patients, but business pressures interfere.

Perceptions of relative importance. In the military, if an expense associated with quality of life doesn’t help accomplish the mission at hand, it is not prioritized.

The broken global food system. Countries that buy cheap food on the world market destroy their own agriculture sectors, perpetuating poverty.

Growing income inequality in America. The historical link between wages and productivity in America is broken. Productivity has risen dramatically while wages have stood still. Someone benefited from the increases in productivity, but it wasn’t American workers. One reason is the decline in union membership, from 35% of private-sector workers at one time to just 6% today.

“We have first to protect life, and then to improve life... This is totally new in our industry.”

Lionel Zinsou, Chairman and CEO, PAI Partners

“The way forward is...to sit down and think about what in your company gets in the way of people’s accessing their rights.”

Ron Oswald, General Secretary, International Union of Food
Founder of the Center for Mindfulness at University of Massachusetts Medical School, Jon Kabat-Zinn pioneered the current mindfulness movement that’s sweeping Western societies. By moving mindfulness-based stress reduction into the mainstream, he has helped countless people around the world improve their health and well-being—and to experience the pleasure of living in the moment. He called this the “awareness that arises by paying attention, on purpose.”

On May 5, Kabat-Zinn led a mindfulness session for a diverse group of 300 leaders attending the “Quality of Life” conference in New York City. The participants wore noise-canceling headphones as they listened to Kabat-Zinn’s presentation, “Optimizing Quality of Life in the Only Moment You Ever Can: The Healing and Transformative Power of Mindfulness.” Amidst a jaw-dropping view of the Manhattan skyline, participants were guided to look inwards through a meditation practice meant to prime them for the meal and evening that would follow. The exercise involved picking up a raisin and using all senses to experience it: feel it, smell it, and finally taste through “three or four slow mindful chews.” The exercise was meant to help participants keep their senses alive. Kabat-Zinn reminded them that when they eat dinner they should “try to taste at least some of it.”

In 1979, Kabat-Zinn decided to develop a stress-reduction program for people suffering from chronic illness, who were not benefiting from traditional methods of treatment. His 8-week program utilized mindfulness practices and achieved promising results. This program, called Mindfulness-Based Stress Reduction (MBSR), is now used across the nation in over 700 medical centers. MBSR classes are not just for the chronically ill. Politicians, athletes, and everyday people have turned to MBSR as a way of reducing stress-levels, anxiety, and depression. Kabat-Zinn has trained everyone from the U.S. Olympic Rowing Team to employees at Google in mindfulness. He argues that mindfulness is good for the workplace, as reducing stress can improve an employee’s work and health.

Mindfulness could not have spread as far as it has in Western society without the backing of scientific research. The Center for Mindfulness in Medicine, Health Care, and Society at the University of Massachusetts Medical School, founded by Kabat-Zinn, has been integral in producing research on mindfulness, which has shown that meditation...
has positive effects on both the mind and body.

In one study looking at people with psoriasis led by the Center for Mindfulness, the participants who were guided through meditation experienced healing rates four times faster than those participants who did not meditate.

Studies have also shown that practicing mindfulness can actually increase the density of areas of the brain associated with learning and memory.

In terms of effects in the workplace, the Center for Mindfulness reports that workplace mindfulness programs are proven to reduce stress and medical symptoms and increase observational skills.

The benefits of mindfulness are many, so it is unsurprising that more and more people are embracing the practice. However, Kabat-Zinn has warned against mindfulness becoming a part of a person’s to-do list, as he emphasizes that mindfulness is a way of being.

When discussing mindfulness, Kabat-Zinn often talks about the process of getting up in the morning as good time to practice being present. In an interview with Anderson Cooper on 60-minutes, Kabat-Zinn discussed that often, people wake up in the morning immediately falling into the rush of life. Instead, he recommended that people wake up and take a few minutes to just lay there, breathe, and be present.

During an interview with Oprah Winfrey, Kabat-Zinn also discussed the idea of “dropping in on yourself”. He explained that most of the time we live outside the body, but we also live inside the body and it is important to check-in with yourself and really become aware of the moment. He said these check-ins can be anywhere from every minute to everyday.

Kabat-Zinn includes a variety of techniques in his MBSR training. As we saw at the Quality of Life Conference, he had participants take a raisin and take time to feel it and smell it before finally eating it slowly. This exercise has the individual really become aware of what he or she is doing and take time to fully process and be in the moment.

Through Jon Kabat-Zinn’s work, more people are being encouraged to look inwards, take a break from the ever-moving world and really be present. Mindfulness has proven beneficial for not only the individual, but also for businesses, because better individual health and wellness is not good for one, but good for all.
What is the similarity between climate change and mind change? According to neuroscientist Baroness Professor Susan Greenfield, ‘mind change’ is an equally useful umbrella term. It covers the idea that, due to the brain’s adaptable nature, the unprecedented digital world is likely to alter the brain in unforeseen ways. Greenfield lists retaining a strong sense of individuality, fulfillment, and usefulness in society as crucial elements for success and happiness in this new, technology-driven world.

The brain is inherently adaptable, especially during the first two years of life when its development is not caused by proliferation of brain cells but by the growth in the number of connections between them. Connections are caused by interactions. This effectively means that each human brain is remarkably unique and that no human brain will ever clone a previous human brain. The human brain is continuously adapting and evolving.

Unlike the invention of the automobile or the printing press, the digital world enables people to perform virtually all daily activities from the comfort of their homes without ever seeing another human being. This alteration of social interactions with the world inevitably changes how the brain understands communication. When human interaction occurs without actual physical contact, body language, voice, and eye contact lose their importance. Connections built by social interactions may occur...
predominantly over the Internet, resulting in devalued interactions with costly effects to identity. Basic principles of human interaction may lose their prominence, while online interactions gain importance and override traditional forms of communication.

Based on this change in social interaction, Greenfield expects resulting degraded identity caused by devalued communication. She foresees consequential bullying, with increased spite, as people lose understanding of the consequences of negative social interactions. She proposes that social media impacts individuality and fulfillment. In an online arena with constant and plentiful feedback, “reassurance from 500 people” is essential for high self-esteem. Suddenly, self-identify is built externally, not internally. Individuals rely on constant online feedback. They systematically share all aspects of their day, whether planning a vacation or merely planning a meal. The brain is built on connections, but people are now connecting primarily with a screen and not with their own thoughts.

In relating to a screen more than to individuals or even to themselves, the population welcomes easily accessible information, obtained without thought or diligence. Without denying the advantageousness of this innovation, Greenfield points out that this interaction dismantles people’s likelihood of thoughtfully processing and reasoning through information. Information is so easily gathered that complex thought and analysis is unnecessary. Although efficient, this form of obtaining information prevents people from gaining perspective. They have heaps of information with no personalized thoughts on the information. Instead of connecting the information they receive into succinct and complete understandings, individuals are thrown countless tidbits of information that do not transform into knowledge.

Greenfield describes that at their worst, digital-age individuals are needy, hostile, emotionally volatile, lacking communication skills, having fragile self-identities, and harnessing short attention spans. Despite these shortcomings, she proposes that individuals tied to a screen can achieve happiness if they develop a strong sense of individuality, feel fulfilled, and contribute to society. She references Isaac Asimov who stated in 1964, “boredom will be the greatest problem in 2014...the true elite of society are those who are creative. Everyone else will merely serve a machine.”

Creativity is achieved by having a unique understanding of something. Not everyone will create world-class paintings, but people can find happiness and creativity in their daily lives. If people think uniquely, they can be creative. Creativity occurs during individual experiences that are purely one’s own. These experiences aid in self-identity.

We need to help people harness technology. Utilizing technology, rather than accepting it in its most shallow form, is crucial in personal development. People must use technology as an aid to their thoughts, not the totality of their thoughts, in order to think creatively. Technology and the digital age can aid society if people employ their tools correctly. Thus, screens can initiate new ideas, but individuals are the only entity that can grant those ideas significance.

Greenfield compares mind change to climate change. They are both global and unprecedented. Both are multifaceted and require discussion. And they are both controversial. The mind is changing, but with understanding of this alteration, Greenfield foresees that quality of life can be high.
Quality of Life: The New Frontier of Performance

TECHNOLOGY

Moderator:
Baroness Prof. Susan Greenfield, Neuroscientist

Presenters:
Michel Combes, Chief Executive Officer, Alcatel-Lucent
Matthew Holt, Co-Chairman, Health 2.0
Suneet Singh Tuli, President and CEO, DataWind

Is Advanced Technology a Sign of Progress?

Technology impacts every aspect of our lives. It influences the way we interact with each other, view the world, and engage in our work. While technology has immense power in improving the quality of life for those that have access, connectivity, and can afford it; for those that do not, the gap is vast. Panelists of this session explored the intersection of technology and quality of life: how it affects work performance, transforms our relationships, and changes the human experience.

The Baroness Professor Susan Greenfield, a neuroscientist who specializes in the physiology of the brain and a member of the British House of Lords, facilitated a discussion about how technology can transform and improve life for many, and identified gaps that must be eliminated. Michel Combes, the Chief Executive Officer of Alcatel-Lucent, provided insights into how broadband access affects economic and educational prosperity. From a healthcare perspective, Matthew Holt offered a view into advancements based on his exposure to technologies at Health 2.0’s conferences, developer competitions, and market intelligence unit. Meanwhile, Suneet Singh Tuli shared a very personal story. After moving to Canada as a child, he observed how his friends in India were hindered educationally by the lack of technology. Tuli’s company, DataWind, now seeks to make the Internet more affordable for the masses in India.

Of particular importance is the widespread implementation of broadband technologies; research has shown that access to broadband is correlated to higher levels of GDP, public health, and educational success. In nations with broad access to the Internet, traditional modes of delivering healthcare are being replaced by entirely new forms of communicating with doctors, new low-cost diagnostic technologies, and automated services. However, despite these benefits, a digital divide exists between prosperous nations and developing economies, as well as between older and younger people. To bridge these gaps, access to broadband and other technologies must become more affordable, as well as more usable by people of all ages.

The panelists agreed that digital inclusion increases economic growth and promotes human development. However, challenges still exist that must be tackled in new ways.
The evidence is clear that telecommunication can have a positive impact on quality of life. However, technological and cultural challenges must be overcome. Michel Combes made the following key observations:

**Access to broadband increases GDP, public health, and educational success.**
Research has found that a 10% increase in broadband penetration can increase the GDP by 1.4% for a typical emerging country. In turn, GDP increases boost countries’ Human Development Index (HDI) scores. A 1% increase in a nation’s HDI score can translate into educational success for 440,000 more children and 15 months longer life expectancy. By 2017, it is estimated that 3.0 billion people worldwide will be connected to the Internet.

**As digital inclusion increases, networks must deal with a tsunami of data.**
Between 2012 and 2017, a 440% increase in cloud and data center traffic is expected, as well as a 720% increase in video traffic. If the right technologies are available to increase network capacity, optimize network use, and minimize costs, there will be a clear return in the long run. For example, Alcatel-Lucent is investing more than €2 billion in R&D each year to build the networks of the future.

**Closing the access and skills gap is economically and socially essential.**
Major investments in technology do not automatically translate into social progress. People and economies must adapt so they are empowered by new technologies instead of being gated by them. Many governments anticipate a shortage of skilled resources to engineer and grow the new digital economy. The vast majority of European jobs in the near future (90%) will require information and communication technology (ICT) skills, yet 39% of the workforce has low or no digital skills. The digital skills gap in the U.S. is estimated to cost roughly $1 trillion in lost productivity per year.

**Companies and countries must embrace change and tackle issues in new ways.**
In a digital world, innovation will happen locally, rather than in a top-down, centralized way. A growing trend is reverse innovation where products and services developed in India or China, for example, are brought back to other markets. In a digital world, companies can reinforce their local presence and simultaneously develop global communities. For example, Alcatel-Lucent works with governments around the world to promote the benefits of ultra-broadband and the Alcatel-Lucent Foundation works with youth in disadvantaged communities in key countries and helps them innovate from the bottom up.

“On average, there are 16% fewer women online compared to men in developing countries, while it’s 2% less in developed nations. When you look at education, health, and all which is related to being a human being, there is still a big divide in terms of gender.”

*Michel Combes, CEO, Alcatel-Lucent*

In the healthcare space, technology is revolutionizing the traditional institutionalized professional system. In most countries, the relationship between patients and doctors is a paternalistic one. However, this dynamic is starting to change. Matthew Holt sees three ways that technology is revolutionizing healthcare:

**New forms of communication are cultivating communities and changing the nature of clinical care.**
Over the last 10 years, patients have turned to online communities to talk with one another. For many, especially those with rare diseases, this has been a life saver. Real-time video, asynchronous communication, and email are all changing the way patients and healthcare providers interact with one another.

**FURTHER READING**

**WHITE PAPER:**
Enhancing Employee Productivity and Quality of Life with Big Data

A 2015 Sodexo White Paper discussed Big Data, the current phenomenon of massive accumulation of information. Predictive analytics or other advanced methods are used to extract value from Big Data that has the potential to help organizations make faster, more intelligent decisions. And better decisions can mean greater operational efficiency, enhanced performance, cost reductions and reduced risk, which leads to improved quality of life.

To read the full paper, visit:
➤ Technology is democratizing the diagnosis process.
New innovations, like blood glucose monitoring devices that connect to smartphones, are making diagnostic tests available to the masses at affordable prices. The power of today’s computer chips is making these products and services possible, but they will be challenging to regulate.

Automation of therapy is controversial, but is becoming a reality.
Healthcare is expensive—averaging 20% of GDP in the United States. In addition, there simply aren’t enough trained professionals to deal with the volume of health issues. As the healthcare system transitions to rewards based on outcomes, rather than on volume, automation of therapy will become more common. Geppetto Avatars, for example, has created automated avatars to handle primary care triage.

If the affordability gap can be bridged, billions of people will use the Internet. Several years ago, Suneet Singh Tuli recognized that the Internet could be used to improve the quality of education in India, but Internet adoption rates were low. India has 1.2 billion people. Only 200 million use the Internet and there are 15 million broadband connections.

Yet, there will soon be close to one billion mobile phone connections. Commonly offered explanations for the digital divide in India included lack of electricity or lack of literacy. Tuli believed, however, that the digital divide was caused by affordability issues. With DataWind he set out to close the affordability gap. Tuli shared his lessons learned:

Widespread Internet adoption is dependent on hardware costs.
Research found that in the United States, broad adoption of PCs occurred when hardware prices were less than one week’s salary. In India, that meant that mobile phones and tablets would have to cost 2500 rupees or around $35. DataWind has developed smartphones and tablets for a little under $28 and they are sold for $35.

DataWind has addressed the cost of Internet access by bundling service with its hardware.
Since broadband operators are unwilling to charge consumers $0.20 or less a month for Internet access, DataWind buys data on a wholesale basis and bundles one year of unlimited Internet browsing with its $35 hardware.
“If anyone doubted that affordability matters, we are living proof, having placed around 1.7 million tablets in India over three years. If you bridge the affordability gap, you will get billions of people coming onto the Internet.”

Suneet Singh Tuli, Founder & CEO
DataWind, Inc.
Healthcare is undergoing significant change, but people will always require guidance, advice, and empathetic coaching. Technology has resulted in access to health-related content by the masses, movement toward the individual power of transactions, and automation which is tied closely to surveillance. Matthew Holt believes medicine will evolve to a point where technology fades to the background and doctors focus on guidance and advice. Many are empowered by technology, but others are still waiting for the benefits. Suneet Singh Tuli likes the quote from William Gibson: “The future is already here—it’s just not evenly distributed.” Many are so reliant on technology today and they feel empowered by it. However, these benefits still need to be deployed universally.

Widespread adoption of the digital world will only be possible when gaps are closed. The connectivity gap is a major issue in emerging markets, where only 30% of the population has access to the Internet due to affordability issues. With regard to the generational gap, people can be successful in the digital world even if they aren’t digital natives. However, organizations and employees must adapt the ways they work. The gender gap in technology is quite significant. Women represent only 28% of the world’s researchers, less than 10% of the science advisory boards of the top 100 high tech companies, and just 6% of the CEOs of IT companies. In response to the gender gap, Alcatel-Lucent employees created a grassroots movement called StrongHer to unleash women’s potential and magnify their business contributions.

Over three years, the tablet market has grown dramatically in India. DataWind evangelized the use of tablets for education and got broad endorsement from the government. When they entered the market three years ago, demand for tablets was 250,000 units per year and 80% of tablets sold were either Samsung or Apple. Today, the market has grown to 4.5 million tablets a year. DataWind has 15% to 18% market share overall and in the sub-$80 tablet category, the company enjoys 50% to 55% market share. DataWind has sold around 1.7 million tablets over three years.

While technology is impacting lives in many ways, the benefits are not reaching all. Even as technology becomes more affordable and Internet access seems increasingly ubiquitous, a “digital divide” remains. The digital divide has especially far-reaching consequences when it comes to education. For children in low-income countries, inadequate access to technology can hinder them from learning the tech skills that are crucial to success in today’s economy.

The panelists offered concluding views on how technology is changing people’s lives:

We are entering the third wave of IT transformation, where technology becomes an integral part of every product. The first wave, in the 1960s, was driven by mainframe computers that optimized tasks. The second wave was triggered by the Internet which integrated tasks, channels, and customers. The third wave will reshape value chains and cause businesses to rethink how they deliver products and services. Michel Combes believes we are entering a “semi-global world” where local matters, as well as global, and technology helps us work in different ways.
Recognition
A typical work-week for most Americans includes arriving to work in a suit or equally formal outfit no later than nine o’clock in the morning, obliging a brief lunch break, and leaving no earlier than five o’clock in the evening, all while following rigid business standards. Although customary, Ricardo Semler, CEO of Semco, explains that companies should not enlist cookie-cutter organization frameworks when managing their businesses. Alternatively, Semler advises companies to grant employees independence and provide inter-business transparency.

There is a conflicting coalition of high unemployment rates and plentiful unfilled positions. Typically, positions that remain available for extended periods are best suited for young people. But, because organizations have not adapted to the young workforce’s needs, employing this group is challenging. Numerical proof of this dilemma is exhibited by the employment rates of a Swiss temp company. The temp company has approximately 700,000 people searching for employment every day. Each available job listed by the temp company has an average of 112 applicants. Although the number of applicants is immensely higher than the number of available jobs,
87,000 of these jobs appear unemployable; 87,000 jobs remain unfilled for extended lengths of time. Organizations are unable to attract young people to fill these positions.

Semler suggests that companies are failing to attract necessary employees because they have not updated company policies for over a century. He went as far as comparing modern business models to the 1908 Henry Ford assembly line. Semler juxtaposed the rigid organization of assembly lines to the sharp duties and protocols in businesses today. Though many companies expect inflexible business standards to increase productivity, these protocols are largely ineffective.

Failure of traditional business models is showcased by the alarming statistic that 92.9 percent of companies do not survive 20 years. Companies set schedules, indicate allotted vacation days, select supervisors, and virtually define all elements of business in an effort to improve performance. Companies wishfully expect growth by approaching business the exact same way failed businesses did before them.

When Semler accepted leadership of his father’s company, he initiated a new business model. He retired the idea of conducting business like an assembly line, where each employee is treated equally and functions in nearly identical capacities. He introduced independence and flexibility to his company.

Semler did not want employees relying on the company to monitor how hard they are working, their schedule, or their health. Instead, his employees are given tasks and deadlines. They work on their own schedule. They have nearly complete control over their work environment. They even choose their supervisors. Employees can complete their work in any capacity, with completion of tasks existing as the only requirement.

Extending independence, scheduling is in the hands of the employee. Employees do not need to schedule vacation days or attend meetings they are not interested in.

The company encourages its employees to approach work in ways that best suit them. Employee satisfaction in response to this approach results in higher productivity and a minimal two percent personnel turnover per year. Semler allows employees freedom so extensive that if a task is so unrewarding that no employee wants to do it, the company will reevaluate the work to determine if it is actually crucial. If it is determined unnecessary, the task is abandoned and more important duties are focused on.

Semler’s business is thriving. It has survived 30 years under this model and will predictably continue expanding. Semler initiated this change by asking, “Why?” three times of business practices in the company. If the third questioned, “why?” was not followed by a logical answer, the policy was amended. With this technique, Semler created a business that functions for its employees and whose employees effectively output sharp, prompt work. The first step in business reform is asking, “Why? Why? Why?”
When a company takes the time to understand how its employees of different ages and backgrounds need to feel recognized, it increases its chances of engagement and retention. Engagement and retention however, can’t be forced or bought. While adequate monetary compensation is a necessary precondition of engagement, employees are looking for much more out of work than money. They seek validation that they are living their lives in meaningful ways. Those are a few of the salient points that emerged from the discussion of this session’s five panelists, all doing work that sheds light on the question of what motivates people to give their all at work.

Recognition, the title of this session, is part of the engagement equation, the panelists mostly agreed. Ricardo Semler, the President of Semco, was the outspoken dissenter, arguing that management need not concern itself with recognizing employees for their efforts. In Semco’s unconventional employment model, there isn’t even an HR function to be concerned. Employees’ needs for recognition are fulfilled elsewhere, and employee engagement is no problem.

All of the panelists presented compelling evidence supporting their views on where recognition fits into the engagement/attraction/retention question. Betsy Myers, the Director of the Center for Women and Business described recognition at Southwest Airlines as a corporate counterpoint to the Semco example. Nita Clarke, Director of the Involvement and Participation Association, contributed insights about the ills of a disengaged workforce where people don’t feel that management sees their contributions. Dr. Roemer explained how Montessori schools develop the traits that lead to success in the business world - and a part of that formula is providing well-earned recognition. Harvard Business School Professor Michael Norton’s research into workplace...
motivation suggests a role for recognition as well, as it is intrinsic rewards such as feeling valued for one’s contributions that contribute to the sense of a life well lived. The panelists explored just what fosters employee happiness, engagement, and retention.

**Pay is only a factor in employee happiness up to a certain point.**
Organizations must compensate employees fairly to make engagement possible; however, pay alone is an insufficient lever to produce a happy, engaged workforce. Pay is like a “hygiene factor,” said one participant: “Get it wrong, let it feel unfair, and they disengage. Get it right, and that doesn’t deliver engagement.”

Currently in the United States, a salary above $75,000 doesn’t make workers any happier with their jobs. “So thinking about how you incentivize above those thresholds is really important,” said another panelist.

If money is removed from the engagement equation, the remaining incentives are factors that improve employees’ quality of life by enhancing the sense that their lives are being well spent.

More important than pay are factors promoting personal fulfillment, such as recognition.
Engagement and retention cannot be forced, but organizations can promote it by creating conditions conducive to employee happiness. This means sending the right messages through management’s words, actions, and policies—messages that reinforce people’s sense that their lives are being well spent. In particular, research shows that employees are most engaged when they feel:

- The organization values them and their contributions.
- They are having a positive impact on others within the organization.
- They are making a positive difference in the world at large.

**What can management do to meet these needs?**
Recognition measures can help address the first need. “Recognition is absolutely vital for us as human beings,” believes one panelist, “And those organizations that... have an operational model and culture that embeds recognition...are the ones that are going to succeed in...”

According to the 2013 Gallup Global Workforce Report, 87% of the global workforce has engagement levels that leave room for improvement. The report points out actively disengaged employees—those who are emotionally disconnected or hostile toward their employer—outnumber engaged employees at a rate of nearly 2 to 1. And that trend is growing. In the midst of these startling statistics, there is good news to share. It turns out that when employees feel truly valued and appreciated, they work harder. That’s why one of the best ways to drive engagement is to implement a recognition program. According to the 2015 Sodexo Workplace Trends Report, in addition to promoting higher engagement, recognition programs yield 21% higher retention rates, 27% higher profits, and 50% higher sales. Now that’s a great return on investment. The best way to optimize a recognition program is to design one that is consistent, fair and represents your corporate values. When implemented on a global scale, the program should be tailored to meet the unique cultural and generational needs and preferences of your employee base.

**FURTHER READING**

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Read more on SodexoInsights.com.
the 21st century.” To promote tighter-knit bonds among coworkers, many tactics work. Two examples:

- Award a Starbucks gift card for a job well done, with the stipulation that it not be used by the recipient but given to two people of his or her choosing in the organization who don’t know each other yet but whom the winner thinks would get along. Studies show that small monetary rewards for winners to use on themselves make little difference in their lives, but giving a gift elicits deep joy.

- Award a monetary gift to a team, to spend together however they choose. One work team bought and enjoyed a piñata together.

To provide an outlet for making a difference in the world at large, an organization doesn’t have to offer world-changing work. Instead, it can grant employees time to pursue a non-work-related calling and make a mark on the world. “Retire a Little” is an opt-in program created by Semco. Employees “buy back” one day a week to use however they choose in exchange for a certain percentage of their salary. All generations of employees take advantage of the program, which is popular because it addresses a structural life cycle imbalance that frustrates many people: Early in life we have lots of time but not much money to pursue our passions, in mid-life we have the money but no time, and late in life we regain time but often have much less money.

Culture figures prominently in how well companies are able to engage and retain. Culture can either lay the groundwork for engagement and retention or throw up barriers that prevent people from engaging. Organizations need to be cognizant of what messages their culture sends about how management perceives employees.

Militaristic, fear-based command-and-control cultures with lots of rules infantilize employees. With tight constraints, employees don’t feel like adults. They feel that their judgment is not trusted; they feel disrespected. This outdated model won’t fly these days, particularly among younger generations. People want more from their job than money. “Fear-based leadership, do as I say or else, doesn’t work anymore,” said one panelist.

Organizations desiring a workplace culture that fosters engagement could learn from the Montessori school model, which encourages children to pursue their passions, think creatively, make autonomous decisions, and stick with problems until solutions are found. Recognition follows success. The method cultivates a strong intrinsic motivation to succeed. A study of commonalities among successful entrepreneurial executives, such as the founders of Amazon and Google, discovered that many had a Montessori early childhood education.

Semco doesn’t even think about retention or engagement; there is not even an HR department. That is because there are no departments at all and few corporate rules. Semco’s employee-empowering culture is itself a retention strategy. The minimalist organization structure conveys that management trusts the judgment of employees, basically saying: “Whatever needs doing, go figure it out.” Anyone can attend any meeting, and valuable fresh perspectives are brought to the table as a result. Employees have the means to correct any grievances they see. Bosses are evaluated by their teams every six months; when evaluations suggest that the relationship is no longer working to everyone’s
satisfaction, managers go find something else in the company to do. No one is dissatisfied with workplace conditions that they control. As a result, the company hardly has any turnover.

Semco coddles no one; it is an unabashedly capitalistic environment that makes no pretense that co-workers are family. But another kind of corporate culture fosters impressive levels of retention and engagement by doing the opposite of Semco: treating employees like family. For example, Southwest Airlines cultivates a “culture of love.” Headquarters resemble a living room; employees’ wedding pictures hang in the hall. The firm reaches out personally to employees at times of personal triumph and tragedy. But Southwest Airlines is not disingenuous in treating its workforce like family, said one panelist; it was the sole airline not to terminate employees after the financial crisis. Indeed, Southwest attributes its success to this culture, believing that keeping employees happy is the key to their keeping customers happy.

Ear of the beholder.
Managers generally do a poor job of giving feedback. Even watching themselves on video, managers often think they conveyed much more of what they intended to than what the employee took away. Notably, the typical “sandwich” method, starting with a positive, burying the main negative message in the middle, then ending on a positive note doesn’t work. Employees pat themselves on the back, having nailed two out of three.

THE SODEXO DIFFERENCE
Companies have long known that recognition and reward programs encourage desired behaviors, motivating employees to perform at their best. Global organizations must be mindful of the ways in which their workforce differs culturally, generationally and individually. Companies that customize their recognitions programs to understand those differences can reap the extraordinary benefits of a highly engaged, productive and committed workforce.

Here are Sodexo’s six strategies for an effective global recognition and rewards program:

1. Implement uniform, company-wide reward and recognition strategies that are paired with clear objectives tailored to drive desired behaviors.
2. Know your employees and be aware of their cultural and generational preferences. The instant text message that motivates a Millennial employee could easily frustrate a Baby Boomer who prefers recognition delivered in person.
3. Know your surroundings and understand that each country has laws and regulations that affect employee compensation. Working with a recognition provider with operations around the globe can avoid legal issues.
4. Achieve the right balance between monetary and non-monetary awards. A range of rewards, from e-cards, to events to products and gift cards is ideal to satisfy today’s workforce.
5. Communicate effectively and cross culturally to convey the messages of recognition and drive participation. Globalized, multi-lingual technology can provide translations that maintain the program’s intent. Infographics or other visuals help drive home the message.
6. Implement the right technology to ensure that consistent company-wide administration can be easily tailored to local specifications.

Learn more about Sodexo’s six strategies for an effective global recognition and rewards program.
Space Management
Medellín, Colombia was long known for its role as the center of a major drug operation and its intense violence. However, Medellín’s image as a city of violence and drugs is quickly fading as the city is rebuilding, reinventing, and becoming a site of innovation.

Juan Camilo Quintero Medina, CEO of Ruta N Corporation, an organization formed to promote innovation in Medellín, discusses Medellín’s troubled past. The city grappled with inequality and violence as the result of narco trafficking throughout the 90s. Medina says the resiliency of the city’s approximately three million inhabitants is what has allowed Medellín to transform and focus more on urban and economic inclusion.

Medellín’s innovation is not just characterized by major technological advancement, but also included simplicity. Medellín has identified key issues and worked to address them in creative and inventive ways. Medina cites the transformation of a ski lift into a public transportation system to help connect those in the more rural hill areas to the city space.

The people of Medellín are also working to transform areas desolated by natural disaster or war into areas...
that benefit the community. An area destroyed by a landslide in the 80s is now being transformed into an area for parks and schools. A fence constructed in wartime, which isolated the city has now been opened by the mayor to give the people of Medellin more space to live and thrive in. The public response to these new spaces has been overwhelmingly positive. Children no longer have to play in the streets, because now there are parks.

Medellin is also looking to reunite the city with the nearby river, which was restricted to the people due to two highways constructed around it. An initiative is now in the works to build underground highways, opening up access to the river and adding more open spaces.

Medellin has taken spaces most would consider unusable and turned them into functional areas that benefit the entire community. As this innovation has progressed, the city has seen its crime and poverty rates drop. As a result, Medellin is expected to drop off the list of the world’s fifty most violent cities.

However, Medina cautions that progress in Medellin is not finished. The city must continue to focus on increasing economic inclusion, which is key for sustainability.

Part of Medellin’s plan is to increase knowledge. The city is committed to science and developing new technologies and also to increasing knowledge in the community.

“We developed a public policy that guaranteed the city commitment to science, technology and innovation, and this policy has a whole new strategy behind it that involves all the citizens through these premises: Circulate more ideas, circulate more money, and create better capacities in our institution to face today’s challenge,” explains Medina.

The city has already decided to transform an area formerly belonging to a prison, into a university campus that will benefit over 20,000 students. By opening up opportunities for education and involvement, the city is hoping to increase the knowledge flowing in the community.

“We aim to inspire our society, strengthen our universities, connect our enterprises with each other and with the world and invest in science, technology and innovation,” says Medina.

Medellin’s model of development shows that reinvention and innovation benefits entire communities. Thanks to the people of Medellin’s resilience and ability to see things in a new light, they transformed their city from one of violence to one of prosperity.
From sound design to materials, color, and technology, the space in which we live and work determines how we feel and function. Citizens, patients, and workers have seen how a redesign of their physical environments transforms the quality of their lives. How can simple transformations lead to major improvements?

The “built environment” in our communities and institutions can have profound quality-of-life import—enhancing the productivity, engagement, and creativity of workplaces; increasing the healing power of hospitals; and even kindling energy and hope for the future in disadvantaged people. The power of environment to uplift and transform people, communities, and organizations was dramatically in evidence during this session as four visionary panelists discussed their work.

Cornell University professor Franklin Becker studies the transformative power of the built environment and identifies its levers, looking particularly at how organizations can use workplace design to advance their business objectives such as productivity, engagement, and innovation. Tom Vecchione implements the professor’s theories in his work designing spaces for clients of the...
global architectural firm Gensler. Dièbédo Francis Kéré is an innovative architect whose designs have uplifted the economic fortunes and spirits of people living in downtrodden communities, specifically the African nation of Burkina Faso, while Juan Camilo Quintero Medina, CEO of Ruta N Corporation, an organization formed to promote innovation in Medellín, Colombia, a city once ravished by drug wars. The panelists shared insights and examples from their work illustrating how the design of collective spaces affects users’ quality of life.

**Inspired space management can revitalize downtrodden communities, giving people a new lease on life.**

**Two cases in point:**

**Medellín, Colombia.** Twenty years ago, the Medellín region was ravaged by drug wars. The city experienced a tripling in population in three years as people fled violence in the countryside. Public services were inadequate to handle the rapid growth. The people endured much suffering from poverty and crime.

What then was the world’s most violent city is today its most innovative, according to the Wall Street Journal and others. A wide-ranging urban revitalization plan has dramatically reduced crime and boosted economic inclusion. The city government—full of energetic young people eager to write a new history for Medellín—has committed itself to innovation, with a mission of circulating ideas, circulating money, and building capacity. Space management solutions have played a big role in the city’s transformation with ideas reflecting simplicity and preexisting local resources rather than sophisticated technology. For example, ski-lift cable cars were put to use as part of the public transportation system, for travel over mountainous terrain. Escalators, like those in retail malls, have been built to improve access to isolated areas. Newly opened-up public recreation spaces drew users immediately. Beautiful gardens have transformed previously ravaged neighborhoods, bringing dignity and hope to residents’ lives.

**Burkina Faso.** This is a very poor African nation where 99% of the people have no access to education; half of the population cannot read or write. Uninspired, sprawling urban planning has made inefficient use of land that could be used to feed people. The built environment is full of copycat artifacts from other cultures, such as a replica of the Eiffel Tower. Dièbédo Francis Kéré was one of the privileged few with access to education abroad. After schooling in Germany, he returned with architecture training to fulfill his childhood dream of building schools in Burkina Faso. He used local clay, not traditionally viewed there as a good building material, mixed with concrete to create beautiful brick classrooms with high ceilings.

The positive effects on the community have been profound. The new construction has provided jobs, boosting economic development and keeping young people from leaving for jobs abroad. People are lining up to learn the building techniques. The government has become interested in facilitating more such projects. And children suddenly have access to education, giving the community new cause for optimism.

**Some commonalities of the two examples:**

- Not only were the two environments transformed physically; lives were transformed as the projects provided work, stimulating the local economy.
- The beautiful and utilitarian finished projects uplifted communities’ spirits and instilled in people hope for a better future.
- The solutions implemented were simple ones, utilizing existing materials and resources. The possibilities weren’t seen previously because a fresh, optimistic approach was required.

“As people in the community became aware of what we were doing, many wanted to be a part of it. Even the government is interested.”

**Dièbédo Francis Kéré, Architect**

**Principal of Kéré Architecture**

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**FURTHER READING**

**Sodexo Insight: How Innovative Building Design Fosters Employee Well-Being, Engagement & Satisfaction.**

Trends in office design have evolved from being merely a space to get work done to a true working environment that fosters social interaction, collaboration, knowledge-sharing and best of all, productivity. Even though office spaces have evolved to meet the demands of modern working styles, there is still progress to be made and inefficiencies that need to be addressed.

To read more, visit Sodexoinsights.com.
The power of the built environment can drive organizational goals—or fail to do so.

The built environment can drive organizational performance. It does so by delivering what users of the space care about. In design itself, people care about air quality and daylight. But in the workplace more broadly, employees care about having a voice and feeling valued. Building design can promote these conditions by providing a conducive setting. Franklin Becker studies how to create built environments that advance organizational objectives such as employee productivity, creativity, collaboration, well-being, and health.

Sometimes, organizations assume that their investments in beautiful new buildings and spaces can’t help but advance organizational goals by making workers or patients cheerier or by facilitating cross-silo conversation. But design doesn’t always have the intended performance impacts, and high performance can’t be achieved by design alone. What matters is what Professor Becker calls “organizational ecology,” or the interplay of a variety of performance-relevant factors, such as technology, work culture, workforce demographics, and work processes. Observation is the best way (better than surveys) to get a handle on those critical variables.

One expensive new hospital featured attractive spaces for nurses and doctors to congregate; the expectation was that more patient information would be exchanged if nurses and doctors hung out, improving patient care. But the cultural reality of how nurses and doctors interact wasn’t considered: When doctors arrived, nurses left. The hypothesis should have been tested before the huge investment was made.

It is important for organizations to define their objectives before undertaking an expensive redesign, by doing the research and then measuring to ensure that the design is likely to advance those goals, and then measure to ensure that intended outcomes indeed were achieved. In Professor Becker’s experience, healthcare organizations—where design has high-stakes health ramifications—are more interested in pursuing this rigor than are corporations. Companies wouldn’t want stakeholders to hear any news that redesign money had been ill spent if metrics showed that intended outcomes were not achieved after all.

“When we work with leadership, we really try to have deep-dive conversations around culture and where they think their organization might be going. We hold leadership workshops, bringing in diverse groups both vertically and horizontally so we can understand how they work together.”

Tom Vecchione, Principal & Director Workplace Strategy & Headquarters Planning, Gensler
Gensler sees three big trends underway in urban design, reshaping how our cities look and feel

Gensler is the world’s largest design architecture firm, with 5,000 people, 50 offices, and 2,000 projects per year. They take the time to understand deeply how organizational clients will be using the spaces they ask Gensler to design.

From its urban design work, Gensler has identified three emergent trends reshaping our cities:

**Viable urbanism.** Urban millennials like to walk; 75% rank walkability as a top priority in their environments. Whether projects are in cities or not, however, to appeal to this generation, destinations need to be pedestrian centric: convenient, accessible, walkable.

**Livable urbanism.** This trend is about the rise of shared spaces, a.k.a. “the marketplace” or “town commons.” Such amenities are a growing trend. On large corporate campuses, 9%-15% of space is now dedicated to shared public common space, including auditoriums, cafes, libraries, meeting areas, research labs, and collaboration zones.

**Memorable urbanism.** This refers to features of the built environment that engage people and deliver emotional impact. They uplift the spirit and provide a catalyst to economic development.

“No high-performance organization can be achieved only by manipulating design. It’s also about the technology, work culture, workforce demographics, work processes. [You need to] try to understand all of those and get them in harmony.”

Franklin Becker
Professor Emeritus, Cornell University

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**FURTHER READING**

Sodexo Insight: Open-Office Floor Plans One Size Does Not Fit Every Business

In offices around the world, the open floor plan debate rages on. Do open office spaces allow for greater collaboration, increased energy and a free flow of creativity? Or do open areas create disruptions and distractions that ultimately kill performance? The answer to both questions is yes. And no.

To read more, visit Sodexoinsights.com.
Nutrition
Since the Industrial Revolution, 200 years ago, greenhouse gases have caused a one percent increase in climate temperature. Simply looking towards nature reveals the immense consequences of climate change; the terrestrial system, ecosystem, and marine aqua system are all affected. As the global temperature increases, wildfires become more prominent, life routes are forcibly changed, and food production decreases.

Jean Jouzel, co-Nobel Peace Prize Winner in 2009, discussed global warming at Sodexo’s Quality of Life conference. Jouzel noted rising sea-levels, decreased crop yields, and loss of biodiversity as major penalties of global warming. Alarmingly, Jouzel predicted an increase of six to eight degrees Celsius next century, which is both 50 times faster and significantly larger than the climate change between the previous glacial period and present day.

Climate change is legitimate and worsening. Although increases in atmospheric temperature are most commonly recognized, rising temperatures are spread out among different climate components. Of the increased heat, 93 percent is in the ocean, three percent is in the cryosphere (the frozen part of the earth system), three percent is in
the interface, and only one percent is in the atmosphere. This distribution of rising temperatures is important when discussing climate change because, despite popular focus on the atmosphere, other climatic areas face resounding complications as well.

Jouzel, on behalf of the Intergovernmental Panel on Climate Change, discussed two scenarios: one where global warming is kept below two degrees Celsius and one where nothing is done to prevent climate change. If we do nothing to combat global warming, humans and the earth will be unable to handle inevitable massive temperature increases.

According to Jouzel, sea-level will rise by one meter by the end of the century if global warming continues at its current rate. Without change in human behavior, Greenland will eventually melt. Although this will occur over the course of the next million years, it is a consequence that we must focus on preventing now. Such melting would be the result of seven meters of sea-level rise, which would devastate coastal regions. Even though this disaster will not occur during the current population’s lifetime, initiating preventive measures now is necessary for averting future environmental degradation of this magnitude.

Rising sea-level will result in decreased crop yields and increased food insecurity. According to Jouzel, main crops such as rice, wheat, maize, and soy will dwindle in production, decreasing food security. Jouzel noted that some countries, such as Finland, will increase crop production while others will decrease crop production over the next 20 years. During this timeframe, countries with opposing levels of production will largely balance one another out. However, over time, losses will greatly exceed gains.

Jouzel notes that although global warming is inevitable, we can limit it. Limiting climate change relies on adopting alternative forms of energy. Three-quarters of current emissions are directly linked to fossil fuels, which are known to alter climate and pose genuine risks to the health of the earth and its inhabitants. Right now, the earth is allotted 25 years of current fossil fuel emissions before a stable temperature level of two degrees Celsius is surpassed. This brief timeline highlights the urgency of promptly adopting new energy forms.

Quality of life relies on a swift response to global warming. Alternative energy, serving as an effective response, is necessary to prevent food scarcity, loss of biodiversity, and sea-level rise. Global warming poses an immense risk to the planet and requires immediate alterations in human behavior and fuel usage.
Food and nutrition play a major role in improving quality of life. This panel explored three different viewpoints on the importance of nutrition and the key role it plays. The panelists discussed ways that food affects individuals’ professional and personal lives and explored how organizations are proactively promoting nutrition among employees and customers alike.

Vickie Kloeris, Manager of NASA’s International Space Station Food Program, discussed the importance of nutrition to the physical and mental health of scientists in space. Dr. Frédéric Saldmann, a cardiologist and nutritionist, explained how the “Feel Good Project” is promoting healthier eating habits among Sodexo employees. Lawrence A. Soler, President and CEO of Partnership for a Healthier America, discussed how his organization unites public, private, and nonprofit leaders to broker meaningful commitments and develop strategies to end obesity.

The linkages between nutrition, health, and personal performance are clear. From a physiological perspective, eating healthy foods can prevent disease and increase life expectancy. Meals are also the foundation for human social interaction and in this way, food supports psychological well-being. Despite the positive aspects of food, many individuals have poor eating habits and suffer from obesity. Individuals must learn how to eat more healthfully, while employers and companies that sell products to consumers must take steps to provide more nutritional food options.

In space, food is directly related to the crew’s physical and psychological health, as well as performance. Supplying food to astronauts is quite a challenge. With no dedicated food refrigerators or freezers on the space station, NASA’s food system consists of all shelf-stable items and powdered beverages. There are a large number...
of thermo-stabilized items that are custom made for the space station, as well as rehydratable products and “natural form foods” that need no additional processing. NASA food scientists and nutritionists, as well as the astronauts themselves are very interested in how food eaten in space influences psychological well-being and performance on space missions. Vickie Kloeris discussed the importance of food for its crews:

The nutritional composition of food is directly related to crew health and performance.

NASA recently reformulated foods to reduce the sodium content. Many of the freeze-dried products sent into space were commercial, off-the-shelf items. The sodium content of these foods was much higher than the typical American diet. Doctors noticed that some space station astronauts were losing visual acuity which was not regained once they returned to Earth. They found that high-sodium diets can aggravate intracranial pressure, which affects the optic nerve. In response, NASA reformulated 90 out of the 200 food and beverage items on its core menu and reduced the sodium content by 43%. In addition, NASA is formulating additional freeze-dried and thermo-stabilized foods that are high in specific nutrients like Omega-3s and flavonoids. The goal is to improve food’s ability to counteract the negative physiological aspects of micro-gravity.

As flight length has increased, the psychological importance of food has grown.

Initially, during short-duration shuttle flights, the psychological and health effects of food were less evident. Since the 1990s, space stations have supported long-duration stays in space. As a result, the health effects of food on crew members are more visible. Group meals are a very important part of the space station crew’s psychological health. The arrival of fresh food is a special event, almost like a holiday. Due to the lack of gravity in orbit, food becomes a form of entertainment, as astronauts play with food! After each flight, crew members debrief. More and more often, NASA hears that food was one of the – if not THE – most important psychological aspects of astronauts’ stay on the space station.

Food will be a major challenge on a mission to Mars.

One of the biggest challenges for a mission to Mars is providing a sufficient variety of food. Another issue is that the food for the return leg of the trip will be around five years old. NASA can make foods that last a long time from a microbiological perspective. Open questions are how good those foods will taste, how nutritional they will be, and how much variety can be developed.

A focus on well-being, including a healthy diet, can increase life expectancies and prevent disease.

Scientists believe that in the near future, every death before the age of 120 could be premature. In 2009, three Nobel Prize winners identified the first objective indicator of biological age in humans. Their work focused on telomeres; these are stretches of DNA at the end of chromosomes that prevent damage to an organism’s genetic information. Each time a cell divides, its telomeres get shorter. The longer a person’s telomeres are, the longer they live in good health. The important research discovery was that it is possible to lengthen telomeres by taking good care of oneself, while stress and poor lifestyle habits shorten telomeres.

To improve employees’ well-being and lengthen their telomeres, Sodexo in Belgium launched the Feel Good Project. Dr. Frédéric Saldmann outlined the key aspects of this nine-week initiative:

Every week employees receive helpful wellness tips.

Program participants receive three fact sheets per week. For example, pausing five minutes in the middle of a meal reinforces the feeling of satiety. Another tip is that dark chocolate with a minimum of 85% cocoa reinforces the cardiovascular system and secretes pleasure hormones like endorphins, while 100% cocoa is a strong appetite suppressant that stimulates secretion of ghrelin.

The key to nutritional balance is a diverse diet.

In the United States, the average person eats only 13 different kinds of food. Increasing that number also improves one’s nutrition. The Feel Good Project implemented a creativity workshop to increase the diversity of employees’ food intake. Creativity also affects the reward circuits in the brain and increases well-being. ➤

“By taking good care of ourselves, we can directly impact our life expectancy, as well as prevent disease.”

Dr. Frédéric Saldmann, Cardiologist, Nutritionist, and Writer
➤ A few simple changes in habit can have a positive impact on mental and physical well-being. After the Feel Good Program, three aspects of participants’ well-being were evaluated: self-esteem; what participants know about their well-being; and how participants feel about their well-being. The results demonstrated that in even a short time, habits can be changed that affect well-being.

The private sector is playing a larger role in obesity prevention among adults and children. America has a major problem with obesity. We are currently raising the first generation that will have a shorter lifespan than their parents. Consider the statistics:

- One out of every three children in America is overweight or obese.
- One out of every three children born in the year 2000 is going to develop diabetes in their lifetime.
- If no changes are made by the year 2030, one out of every two adults will be obese.
- By the year 2030, Americans will have severe weight issues which will prevent them from doing certain jobs, resulting in lower productivity and higher healthcare costs.

In 2010, however, a perfect storm arose which is making a difference with obesity issues. Larry Soler discussed what has happened and what the future looks like.

The Robert Wood Johnson Foundation galvanized different organizations around obesity. The foundation’s $500 million commitment has inspired many organizations to address obesity.

Michelle Obama raised the visibility of childhood obesity. American families think about childhood obesity very differently after seeing someone as popular as the First Lady working on these issues. There is now greater public knowledge and awareness.

New policies have come into effect. Healthier school lunches are a major trend, as is consumption of more fruits and vegetables.

The private sector is playing a larger role in preventing obesity among adults and children. The Partnership for a Healthier America (PHA) was founded five years ago by a group of foundations that wanted the private sector to make its food healthier. The organization works with over 150 companies and institutions that have committed to making changes to their food and services. PHA conducts an independent evaluation of each and reports on a yearly basis. What has changed over the last two to three years is that companies are being increasingly driven by consumer demand. People want fresher, healthier, and more transparently nutritious products. That has resulted in a sea change in the corporate community. Sodexo, for example, agreed to make healthier options available to consumers across the footprint of its organization and the company has seen great results.

Progress is evident with childhood obesity. The United States Centers for Disease Control and Prevention (CDC) reported last year that among children between the ages of two and five, obesity has decreased 40%. The youngest children are eating healthier food and are more physically active. The future looks more optimistic. ➤

“When we started the Partnership for a Healthier America five years ago, the question was whether the private sector could make changes to their food and services to make them healthier and if those changes [would] be profitable and attractive to consumers. The answer is a resounding yes.”

Lawrence Soler, President and CEO, Partnership for a Healthier America
The contributors to obesity are multi-faceted, so solutions must also be diverse.

There are multiple factors that influence whether or not a person will become obese, ranging from availability of healthy foods to physical activity, community safety, childcare, school lunches, and more. It's also important to recognize that lasting behavioral changes are based on making small changes slowly and incrementally. When people try to eliminate all their bad habits at once, they usually fail. The panelists shared different private sector initiatives that are helping to address the problem of obesity among adults and children:

Community-based coaching programs.
Mercedes-Benz recently invested $11 million in community-based coaching programs. Coaching is critical for positive first experiences with physical activity. If kids get a bad coach, it turns them off of sports and exercise.

Healthier convenience store options.
After QuikTrip convenience stores in the Midwest started offering fresh produce, whole grains, and low-fat dairy products, they saw a 5.5% increase in sales. Healthy items are profitable and consumer demand for them is high.

Healthy dining options.
Sodexo’s Healthy Dining Program is more profitable than any of its other programs and sales have skyrocketed.

FNV fruit and vegetable brand.
PHA is launching a fruit and vegetable brand called FNV in Fresno, California and Norfolk, Virginia. Celebrities and athletes endorse their favorite fruits and vegetables in a funky and emotional way. The goal is to connect with people like the big consumer brands do. The Robert Wood Johnson Foundation plans to evaluate the program by analyzing whether fruit and vegetable sales increase in those two communities.

FURTHER READING

Build a Healthier Future One Decision at a Time

Partnership for a Healthier America offers a unique opportunity for public, private and non-profit leaders to come together to address one of the single biggest issues facing our children, our families, our communities and the future of our country – childhood obesity. Sodexo is committed to engage and motivate consumers toward healthy choices by widely deploying Mindful, our healthy dining program; expanding healthier food choices in hospitals; offering more free breakfast meals in schools; and increasing the selection of healthier, more nutritious options in our vending and K-12 lunchroom programs.

To read more, visit Sodexo.com
Gender Balance
What’s the largest emerging market in the world? Many would respond with China. However, Sylvia Ann Hewlett, CEO of the Center for Talent Innovation, argues that women are in fact the largest emerging market.

Hewlett explores how to get women involved in business by analyzing the factors that motivate and inspire them. Hewlett began her talk with an anecdote about Rajasjree Nambiar, the first ever head of branch banking in India. She explained that Nambiar, unpleased with the condescending attitudes of her male banker colleagues, chose to open two bank branches in India primarily run by women. Nambiar worked to add quality of life to her branches, with things like babysitting and a coffee bar. Hewlett explained that beyond these products and services, Nambiar understood women want to connect their work with their life’s meaning. This understanding proved successful for Nambiar as these two branches she opened became the most profitable in India.

This idea that women want to find meaning and purpose in their work was a consistent theme in Hewlett’s talk. She explained that industry is out of touch with women’s needs and that is a costly oversight.

Hewlett cited a study that looked at seven growth markets and found that 66 percent of these countries’ investible assets were in the hands of women. Yet,
many of these women did not retain a financial advisor, because the financial services world lacked a focus on meaning and purpose. As a result, $4 billion are not being invested in the US.

“This whole thing is kind of leaking out of the system because there is such lack of connect between the industry and the marketplace,” Hewlett said.

Hewlett also analyzed a study entitled “Women Want Five Things”, which looked at 35-50 year old women and what really inspired them to become truly engaged in their careers.

Women were similar to men in two motivating factors: the desire to excel and the desire to earn well. However, three other factors set women apart.

The study found that women want to flourish in their work. Hewlett expressed her appreciation for the word flourish, because of its impactful meaning.

“[Flourish] means wellbeing, it means self-actualization in all three arenas of your life, your community, your personal life and work, and they’re very intermingled these days. This flourishing thing [is] huge. It’s a much bigger concept than work life balance. It’s very forward thrusting. It’s very exhilarating. It involves control in agency, all those great things. It’s huge for women,” Hewlet said.

The study also found that women want to empower others and more notably they want to align their beliefs with their work.

Hewlett explained that when companies tap into their employees’ sense of meaning and purpose, they have the opportunity to see real engagement on the part of their employees.

Hewlett offered an anecdote where Moody’s Investors Service went through a period of reinvention following the financial crisis, and saw their employees become incredibly involved. The business started working at improving a ratings tool for micro finance. The employees, especially the female employees, became highly involved in the project, offering their free time to work on the tool.

The employees saw this project as a way of using their skills to improve poverty and ultimately for the greater good.

The ability to connect their skills to larger beliefs had a huge impact for women; it allowed them to become fully engaged in their project.

Hewlett made a point that these things women want are also relevant for millennial women who share many of these same desires. Millennials often go job-hunting with meaning and purpose in mind.

Hewlett also highlighted the lack of women in the top ranks of industry. She argued that the way to get women into positions of leadership is not to give them more training, but offer them sponsorship.

“Sponsorship is how power is transferred in organizations and left to itself it’s a mini me situation.

Because it’s much easier to trust someone who has the same background,” Hewlett said.

However, women are currently half as likely to have a sponsor as their male counterpart. Instead women have more mentors, which is beneficial in some ways, but does not offer the same opportunities to rise up the ladder of industry as sponsorship does.

In the end, if companies take women’s motivations into account they will not only improve the quality of life for their female employees, but also see benefits themselves, as the women become more engaged in their work.
Gender balance is crucial if organizations are to improve their productivity, innovation, and business results. Both private and public sector organizations are deeply concerned about gender balance. This panel explored the importance of gender balance in the workplace. Rohini Anand, Senior Vice President & Global Diversity Officer at Sodexo, facilitated a discussion about the barriers to diversity and the business consequences of non-inclusive work environments. Sodexo, for example, has conducted research into the impact of gender-balanced teams and Anand shared those findings. Sandrine Devillard also provided insights based on nearly ten years of experience researching gender diversity and performance at McKinsey & Company, while Henriette Kolb discussed the global research into these issues that has been undertaken by the International Finance Corporation. Sylvia Hewlett, who leads the Center for Talent Innovation, focused the discussion on innovation and the types of team diversity which promote innovation in the workplace. Although the evidence is clear that diversity is essential for business prosperity, it is commonplace for women and minorities to feel out of place at work. As law professor Kenji Yoshino has found, high percentages of women and minorities feel that they must downplay their identities which leads to lower levels of commitment to employers. The smartest companies today are appointing more women in leadership, management, and executive positions. This isn’t simply because it’s the right thing to do; it also attracts customers, spawns innovation, and impacts profitability. Significant macroeconomic
benefits will be generated if businesses maximize women’s labor potential. Unfortunately, women continue to take a back seat in organizations worldwide, especially in leadership and executive positions. This dynamic can be attributed to the double bind that women face as they are asked simultaneously to be “masculine enough to be respected as colleagues” and “feminine enough to be respected as women.”

Research shows a clear correlation between diversity and company performance. Several organizations have conducted studies that demonstrate a linkage between diverse teams and improved business performance. The panelists discussed three examples:

McKinsey & Company. In 2006, Sandrine Devillard began researching the issue of gender diversity and performance. Since that time, McKinsey has led a variety of studies focused on the composition of executive committees, including deep dives by region. Women are underrepresented on executive committees throughout the world. In the best countries like Iceland and Sweden, women have about 20% representation. In France, it’s 9%; in the United Kingdom and United States it’s around 15%; and in India and Japan, women represent only 3% of executive committee members. This underrepresentation of women isn’t isolated to executive committees. It occurs at all levels of organizations.

Increasing diversity in organizations has several important benefits:

- Including more women in the workplace would address the looming talent shortage. By the year 2020, organizations will need nearly 40 million people with higher education. If women worked at the same levels as men and stayed in the talent pool, it would close more than half of this gap.

- There is a clear link between gender diversity and business performance. McKinsey examined the top companies in 25 countries and analyzed stock market performance in terms of return on capital employed. They compared the performance of companies with no women on the executive committee and those with three or more women on the executive committee. On average, there was a 50% difference in financial performance between the two categories of firms. Although correlation doesn’t prove causality, the link between diversity and performance is hard to ignore.

- A diversity of leadership styles is important. Academics studied thousands of executives and identified nine positive leadership styles. Men tend to use more individualistic decision making, correction, and control. In contrast, women use more participative decision making, inspiration, and people development. One source of value creation is a diversity of leadership styles and this is a byproduct of gender diversity in the workplace.

Sodexo. Sodexo analyzed 52,000 managers in over 100 entities over a period of three years. They found a strong correlation between gender-balanced management teams (groups with 40% to 60% women) and several key business metrics, including:

- Brand awareness: 5% higher for gender-balanced teams versus 0% higher for non-balanced teams
- Client retention: 57% higher for gender-balanced teams versus 45% higher for non-balanced teams
- Organic growth: 12% higher for gender-balanced teams
- Gross profit: 21% higher for gender-balanced teams

International Finance Corporation. When IFC engages in research, it looks at five dimensions: leadership, consumers, supplier diversity and women-owned enterprises, employees, and community stakeholders. IFC recently conducted two studies about women.

“By the year 2020, we will need nearly 40 million people with higher education in the global economy. If women were to work at the same level as men and stay in the labor force, this talent pool would close more than half of this gap.”

Sandrine Devillard, Global Leader of the McKinsey Women Initiative, Head of Paris Offices

“The smartest companies today are appointing more women in leadership, management, and executive positions. This is not simply because it’s the right thing to do. It’s because it attracts customers, spawns innovation, and impacts profitability.”

Rohini Anand Senior Vice President & Global Chief Diversity Officer, Sodexo
“We keep framing women as helpless victims of exclusion, not inclusion. To change that approach among companies and public policy makers, we need to make women the game changers. We give women handouts and we make sure women are in business conversations that relate to donors or CSR, but we don’t treat them as business changers.”

Henriette Kolb, Head, IFC Gender Secretariat, International Finance Corporation

and business performance. One project identified a strong correlation between women insurance agents and brokers in emerging markets and the number of women customers that insurance companies have. Female agents and brokers understood women’s life cycles and decision-making points better than their male counterparts. Women customers also trusted female agents and brokers more.

A second research initiative studied 149 countries to determine if women and men had equal access to and usage of mobile phones. Although phones are essential for vital life information, market access, and digital inclusion, the study found that 300 million fewer women than men have access to mobile phones. This translates into $26 billion in lost revenue for mobile phone companies.

Diversity is also essential for innovation

Every company today is concerned about innovation and changing marketplaces. Innovation is composed of four phases: idea generation, idea endorsement, idea development, and project deployment. Sylvia Hewlett offered insights about the role of diversity in innovation, based on work conducted by the Center for Talent Innovation:

During the idea generation phase of innovation, the playing field isn’t level between women and men. The Center for Talent Innovation collected data across 14 sectors and found that an idea put forth by a junior woman has a 2% chance of being endorsed, while an idea put forth by a white male who matches the identity of the leader has a 37% chance of being endorsed.

Women with power must ensure that idea endorsement occurs. When team composition is 30% to 40% women, women feel comfortable bringing new, differentiated ideas to the table. However, this alone is not enough. There must also be women with power in the room who can ensure that worthy ideas are endorsed.

Two kinds of diversity are needed for innovation. Teams must be inherently diverse. Teams that have at least three types of diversity (e.g., ethnic, generational, and sexual) are much more likely to innovate. The second type of diversity needed is “quiet diversity.” Hewlett defines this as leadership behaviors that value differences. Leaders with command and control styles do not appreciate new ideas. Research published last winter in Harvard Business Review found that teams with at least three forms of diversity and inclusive behavior among leaders are 73% more likely to capture a new market.

Unfortunately, many women are stifled by organizational cultures that promote “covering” behaviors. When individuals are asked to “cover,” they are encouraged to downplay a known stigmatized identity, such as gender, sexual orientation, or race. No cohort is immune from covering, but some groups pay a higher tax than others.
“We need straight white men to see they have something at stake in this project of authenticity. This is a universal project of human flourishing, rather than a narrow one dealing out special perquisites to particular groups. Unless we do this we will not make progress.”

Kenji Yoshino, Chief Justice Earl Warren Professor of Constitutional Law, NYU School of Law
In 2013, Kenji Yoshino teamed with Deloitte to study covering in a rigorous, quantitative way. The Deloitte study found that 83% of gay people, 79% of black people, 66% of women, and 45% of straight white men cover. Covering can be classified into four categories:

- **Appearance.** Many women executives train themselves to lower their voices to exude gravitas.
- **Affiliation.** It is not uncommon for women to downplay that they have children and try to make their pregnancies invisible. Shelley Correll’s research at Stanford found that there is a motherhood penalty and a fatherhood bonus in the workplace.
- **Advocacy.** Advocacy-based covering occurs when women feel uncomfortable speaking up for female colleagues, even if gender discrimination is occurring. Getting women to suppress their desire to advocate for other women is often toxic for companies.
- **Association.** Association-based covering occurs when people don’t want to associate with colleagues from their own group. For example, many women don’t want to join women’s employee groups because they feel it would stigmatize them.

The impact of covering in the workplace is profound. When leaders ask employees to cover, their sense of commitment decreases by 50% and their sense of opportunities in the organization decreases by 51%. Although Yoshino expected professionals to cover less as they moved up the corporate ladder, he found that it was not a linear trajectory. People do cover less as they gain seniority, but as they get close to the C-suite, they begin to cover again.

Reverse covering is a challenge faced only by women and it makes workplace success almost impossible. Reverse covering occurs when the dominant group asks individuals to act more like their minority group. Women are the only group that faces this double bind. When women behave in ways that are “too masculine” they get policed in the other direction and they reverse cover. They are asked simultaneously to be “masculine enough to be respected as colleagues” and “feminine enough to be respected as women.” This dynamic was evident in the case that Ellen Pao brought against venture capital firm Kleiner Perkins Caufield & Byers. On one hand, she was asked to be more aggressive and to be seen as a rainmaker, but when she sat at the table with her peers, she was told sit in the back and take notes.

Research from the Center for Talent Innovation underscores the double jeopardy that women face. A woman at a large New York law firm was passed over as the new head of the women’s leadership group because she doesn’t have children and wouldn’t be viewed as a role model. In studies about sponsorship, 64% of men say they will never sponsor a woman employee because it requires getting to know an individual well and there would be gossip. Over three quarters of men (78%) said they viewed sponsoring a single woman without children as even more dangerous.

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“Many women today do not seek to include a traditional family in their lives and now they are dealing with a stigmatized reality. Many company policies ignore them completely. Now not having children bars women from certain positions and gets in the way of being sponsored by men on the executive committee.”

**Sylvia Hewlett, CEO**
**Center for Talent Innovation**

**FURTHER READING**

**Case Study: Sodexo analyzes the impact of gender balance on performance**

A recent Sodexo study looked at how gender balance at all levels of its management impacts both financial and non-financial performance. Gathering data from 50,000 Sodexo managers in 80 countries, from C-suite to site management, Sodexo is now able to clearly demonstrate how management teams that are gender-balanced impact growth, profit and cash generated, but also employee engagement and client retention.

To read more, visit Sodexo.com

“Threading the needle.” To walk the tightrope facing women regarding negotiation, Sheryl Sandberg recommends negotiating on behalf of one’s team. This engenders respect for women because they are negotiating, but the communal approach prevents the perception that women are negotiating “too aggressively.” Unfortunately the tightrope simply isn’t navigable, despite the strategies that women try to use. As Ellen Pao noted, she tried to thread the needle, but the needle had no hole.

**Kenji Yoshino, Chief Justice Earl Warren Professor of Constitutional Law, NYU School of Law**

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Local Communities
After viewing the struggle of indigenous people first hand on the streets of Canada, Murray Koffler, a successful businessman, decided to make a change, so he founded the Canadian Council for Aboriginal Business (CCAB). Koffler saw business as a tool to bridge the divide that had formed between Canada’s indigenous community and the rest of the country.

Jean Paul Gladu, President and CEO of the Canadian Council for Aboriginal Business, shared how engaging local communities in business can have global benefits.

Gladu explained that Canada’s indigenous people were actually the first to create a major industry in the nation: the fur trade. However, due to movements like colonialism the indigenous people were pushed out of business, negatively impacting the community.

Now things are looking up for the indigenous population as they are beginning to reemerge more and more into the world of business. In fact, Gladu cited that Canada’s indigenous people contribute $32 billion to the nation’s GDP and $13 billion is coming directly from businesses owned by aboriginal people. While these numbers are positive and reflect an indigenous presence
What these aspiring entrepreneurs need is an opportunity and these companies can provide just that. Companies can provide mentorship to aboriginal entrepreneurs: funding them and helping their business grow in their community. This mentee can then become an ambassador for the company and help develop a strong, stable relationship between the community and the company. This mentorship benefits both parties.

Gladu also addressed the lack of minority presence on corporate boards. He explained that adding an indigenous person to a corporate board could have tremendous impact on the relationship between a company and a community.

“What kind of message you would be saying to the local communities or the countries that you work in if you take one of their indigenous person and you put that person at the highest level within your company, think of what you’re saying when you do something like that” Gladu said.

In the end, Gladu said the focus is on ensuring that both the community and business are supported and working towards a better future. The way to ensure this better future is by fostering these strong relationships between indigenous communities and corporations, which have the potential to create global growth.
Increasingly, large corporations are recognizing that they have a responsibility to use their resources wisely not just for shareholders, customers, and employees but for stakeholders in the broadest sense of the term, including the local communities in which they operate and the planet at large. And increasingly, that is the attitude that employees and customers expect of the companies they patronize.

Panelist Dev Patnaik heads up Jump Associates, a corporate consultancy that teaches clients to innovate successfully in a world where corporate social responsibility is increasingly a must. The capabilities that he regards as most critical for organizations to develop are the creativity and experimentation that successful innovation demands as well as a third quality, less often associated with business: empathy.

Bea Perez and Mariano Lozano are leaders of large corporations that pursue simultaneously business success and fulfillment of the social responsibilities they have stepped up to claim. How Coca-Cola and Dannon balance both priorities as they aspire to be good corporate stewards of the planet’s resources and improve lives of people in the communities around them is instructive for companies generally. This session captures some of their best practices.

Forward-thinking corporations recognize a responsibility not just to shareholders but also to society at large.

Big business has a responsibility to use its resources not just to benefit stakeholders in the narrow sense of the word but also to help the people in the communities that supply it with natural resources and labor and to the planet at large, especially given the deleterious effects expected as climate change progresses.

That’s why Coca-Cola’s sustainability initiatives are focused in three areas where the firm feels a particularly
strong responsibility. The most important is water. Coca-Cola products use more water than any other ingredient. Water is also a resource projected to become increasingly scarce as climate change progresses. The company therefore has committed to becoming water neutral by 2020, replacing as much as it consumes.

The other two areas of Coca-Cola’s sustainability focus are women and well-being. The company has committed to economically empowering 5 million women in disadvantaged circumstances by 2020, which is expected to dramatically improve the economic health of their communities. Coca-Cola’s diverse portfolio of well-being initiatives include working with the children in America to promote self-esteem, nutrition, education, and exercise and partnering with 5,000 medical centers in Africa to bring refrigeration to rural villages.

Coca-Cola’s extensive and ambitious roster of sustainability initiatives are more than a nod to the CSR expected of companies these days. They are reflective of how the company regards itself and its mission: to “create value and make a difference.”

Dannon likewise views itself “as a company on a mission,” says CEO Mariano Lozano—“to deliver health through food to the greatest number of people.” That involves fighting obesity, malnourishment, and poor eating habits by promoting a healthy lifestyle and diet, particularly among American children. Dannon hopes to move the needle on the nation’s wellness.

Dannon also has sustainability initiatives that promote organic farming in the U.S., the businesses of small local farms in East Africa, and recycling of PET bottles in Brazil, to name a few. All tie into its business in some respect.

For panelists’ organizations, profits and sustainability go hand in hand.

That became apparent as the panelists discussed how their firms approach sustainability. For instance:

- Many people pitch sustainability projects to Coca-Cola, but it only engages in those that are right for the company from a business perspective.

- Dannon had many product lines at one point, until it realized that what it really wanted to be was a company that promotes health and wellness through food. It winnowed the categories down to just four as a result: yogurt, waters, early-life nutrition, and medical nutrition. These four areas provide the company with avenues for meeting both its business and its social responsibility objectives.

- Jump Associates views empathy as one of three critical ingredients for successful innovation (the other two being creativity and experimentation). That’s because it believes that the best innovative solutions reflect an empathetic understanding of people’s problems as well as profit potential. Empathy supplies innovation direction.

An example of an innovation that serves the dual purposes of profitability and good corporate stewardship is Jump client Mars’ initiative (in partnership with IBM) to map the cocoa genome. Climate change threatens the viability of cocoa crops, and candy-maker Mars certainly has a business stake in preventing the extinction of cocoa. But the project also is intended to save chocolate for humanity. The work is open-sourced, so anyone can contribute to the mapping and take advantage of the results—evidence of an altruistic motivation as well as a profit one at work.

A lesson for other companies hoping to merge sustainability and business goals: culture matters.

As the panelists discussed how their companies approach the pursuit of both business and sustainability priorities, the importance of having a conducive culture became apparent. Cultural aspects that promote sustainability include:

- Empathy. Corporate empathy is a key to developing companies’ abilities to spot innovative solutions to the problems of customers and societies at large, believes Dev Patnaik.

- Courage. Moving forward on many initiatives entails risk and therefore takes courage. Courage is also needed to say “no” to worthy ideas where the company can’t add enough benefit relative to cost, to ask the tough but necessary questions, and to hear tough-to-swallow answers.

“We really need to work to unleash empathy. We need to work to understand what’s actually happening on the ground for a lot of the problems that we notice.”

Dev Patnaik, CEO
Jump Associates

“I’d like to see [Danone] as a learning company, but still we’re not yet managing failure right...It’s very difficult for big organizations to get out of their comfort zone.”

Mariano Lozano, President & CEO
The Danone Company
"A lot of the work that we do actually involves our competitors because we know we have to be aligned on solving issues [like water stress]; we cannot do it in silos.”  
Bea Perez, Chief Sustainability Officer, The Coca-Cola Company

A “fail-forward” experimental culture. There is acceptance of failure in Coca Cola’s culture, as there is belief that only by learning through trial and error does one move forward. Jump Associates promotes experimental cultures in the Fortune 500 clients it advises.

Continual learning. Coca Cola believes that lessons derived in one business unit are likely to have wide applicability to its other businesses, so it brings together the leaders of the 18 business units regularly to share key learnings.

Accountability. Accountability and transparency are guiding principles in Coca Cola’s culture and sustainability programs. Its 2020 targets reflect a willingness to hold itself accountable and to be held accountable by others. Holding suppliers accountable is also a must.

Best practices include collaborating with diverse partners, even competitors. Both Mariano Lozano and Bea Perez echoed the sentiment that their organizations would never be able to execute their ambitious sustainability initiatives alone. They partner with governmental agencies, NGOs, non-profit organizations, and even competing corporations to execute their sustainability initiatives.

FURTHER READING
In September 2014, Sodexo announced its official Commitment to Action at the 10th Clinton Global Initiative Annual Meeting to support the growth of small to medium sized enterprises (SME) with a pledge to purchase products and services totaling $1billion by 2017. The Commitment to Action aims to benefit as many as 5,000 small businesses in 40 countries, with 1,500 of those businesses being women owned and operated. It is projected to generate more than 250,000 jobs over the next three years.

The first year of the Commitment to Action will focus on developing local supply chain inclusion program guidelines, including incentives for supply management teams to engage with SMEs, enhanced tracking of SME sourcing and the development of tools and resources along with guidance on streamlining the integration of SMEs into the Sodexo supply chain.

During the second year it will create SME supplier-training resources for deployment, which will augment existing programs in 26 countries.

Finally in the third year, the new SME program will roll out to 14 additional countries where Sodexo operates. It is currently targeting operations in Africa, Asia and Latin America.
“There are so many sparks in these communities, so many entrepreneurs that are looking for an opportunity, a chance to build up their personal socioeconomic standing, as well as their family and their community.”

Jean Paul Gladu, President and CEO, Canadian Council for Aboriginal Business
About Sodexo

ABOUT SODEXO

Founded in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve Quality of Life, an essential factor in individual and organizational performance.

Operating in 80 countries, Sodexo serves 75 million consumers each day through its unique combination of On-site Services, Benefits and Rewards Services and Personal and Home Services.

Through its more than 100 services, Sodexo provides clients an integrated offering developed over more than 45 years of experience: from reception, maintenance and cleaning to food services and facilities equipment management; from Meal pass, Gift Pass and Mobility Pass benefits for employees to in-home assistance and concierge services.

Sodexo’s success and performance are founded on its independence, its business and financial model and its ability to continuously develop and engage its 420,000 employees throughout the world.

THE QUALITY OF LIFE OBSERVER WEBSITE

Sodexo has created the Quality of Life Observer website (www.qualityoflifeobserver.com) as a hub dedicated to the topic of Quality of Life. The site invites you to explore issues from a global or local perspective, in sectors such as healthcare, education or corporate. Get the latest news and trends, from expert interviews to case studies and innovative initiatives to in-depth articles and testimonials.

The Quality of Life Observer is open to expert contributors and organizations proactively engaged in improving Quality of Life and invites them to submit topics or content to be published on this site and to interact by commenting and sharing.

THE SODEXO INSTITUTE FOR QUALITY OF LIFE

In 2009, Sodexo set out to create a resource to deepen its understanding of Quality of Life. The resulting think-tank, the Sodexo Institute for Quality of Life, is founded on Sodexo’s conviction that improving Quality of Life leads to the progress of individuals and contributes to the performance of organizations.

The Institute’s objective is to gather and develop insight on the drivers of Quality of Life and their impact. It does this by developing and leveraging relationships with external experts e.g. university academics and other researchers around the world, by participating in conferences, convening stakeholders and conducting its own desk-based research.

The Institute publishes a variety of viewpoints and the results of its research. It recently held external expert “Dialogues” that explored Quality of Life challenges in London, Ottawa and Mumbai.

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