



The health-savvy CEO

Health and wellness have become urgent CEO priorities

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Introduction

IT'S COMMON SENSE that an organization's workforce needs to be fit to work for organizations to accomplish anything at all. The COVID-19 pandemic has elevated that fact to the CEO's urgent attention, putting health front and center on CEO agendas around the world. Most CEOs today likely know far more about the science of "flattening the curve," airborne transmission, fomite theory, and mRNA than they ever expected as they pursue the best outcomes for their stakeholders—not just employees, but their customers, suppliers, vendors, and even broader community constituencies. As Kimberly-Clark Corporation CEO Michael Hsu said, "In our jobs, I don't think we ever felt like we would be arguing over epidemiological models, and we are."¹

Health has sometimes been too narrowly defined as the absence of disease. But the pandemic and our responses to it have laid bare the fundamental need for organizations to support individuals' health in a broader and more integrated way—encompassing physical, emotional, and mental health and well-being—both for the good of their organizations and for the good of society at large. While the business case for investing in the holistic health of employees has been proven many times over,² we now see CEOs caring about health for reasons that go beyond the bottom line.

This newfound focus on health has given rise to what we call the *health-savvy CEO*: a CEO who appreciates that decisions relating to health and



health care can have a significant impact on the culture of the organization, the way in which work gets done, the cascading effects of that work in spaces and places beyond the organization's four walls, and the power of the CEO's personal brand to support people's health. These CEOs have been finding ways to lead their organizations through extreme complexity and uncertainty, protect and support their workers' and stakeholders' health, and bolster strategic outcomes in the process. And they have been able to do so by choosing *not* to delegate matters of health to other functions, executives, or external advisors. Rather, they have put health directly on the CEO agenda—where it belongs.

The health-savvy CEO's mindset

THE MINDSET THAT health-savvy CEOs share, and the actions they take as a result, are based on several key concepts that these CEOs have come to recognize as fact:

1. Matters of health drive organizational culture, trust, and brand.

In this age of purpose and transparency, an organization's culture has outsized influence on its brand. Both culture and brand rely on principles of trust: Each decision an organization makes to address (or overlook) the health of its stakeholders affects its culture—and how, in turn, that organization is perceived by customers, investors, and the general public.

On March 22, 2020, Starbucks CEO and president Kevin Johnson shared a message in which he stated, “No partner should be asked to choose between work and their health.”³ He called on all businesses “to care for [their] employees during this time of uncertainty, shared sacrifice, and common cause ... I hope to see many business leaders across this country doing all they can to retain jobs, pay employees, continue benefits, and demonstrate compassion as they make critical decisions. Not every decision is a financial one.” In the same message, he announced his commitment to pay all Starbucks retail employees in the United States and Canada for 30 days “whether or not their store is closed, or they are otherwise unable, or even uncomfortable, coming to work.” Later, in April, Johnson issued an open letter to all US

Starbucks employees reiterating the company's commitment to “prioritizing the health and well-being of our partners and customers.”⁴

Throughout the pandemic, organizations were extolled or chided for changes or the lack thereof to standard operating procedures, policies, and norms. Did an organization appear to prioritize its workers' health, or did it insist on business as usual? Did workers have additional access to child-care support, paid leave, flexible work schedules, home office supplies, and mental health resources? Were they encouraged to actually make use of them? At a time when workers paid acute attention to the announcements and declarations of their CEOs, did CEOs do their part to communicate with transparency, destigmatize struggle, and model vulnerability—or did they gloss over unspoken challenges?

Scrutiny related to outside stakeholders' health was equally intense. Did an organization revamp physical stores and customer interaction protocols to make customers feel safe? (According to the June 2020 Ipsos Consumer Health & Safety Index, a reported “62% of consumers would stop shopping at a retailer not taking health and safety seriously.”)⁵ Did the organization make adjustments to its physical offices to make clients and vendors feel safe? All of these matters played into an organization's reputation during the pandemic, for better or for worse.

Health-savvy CEOs make no mistake that people are watching and listening. After all, it's every individual's health that is at stake.

2. Health is not political.

Health care can be an inherently political topic. Health should not be, and health-savvy CEOs appreciate that. Just as CEOs have previously understood that it pays not only to comply with OSHA, but to exceed standards and moreover nurture a workplace culture of safety,⁶ health-savvy CEOs rise above politics by making a more fundamental commitment to health. They recognize that *how* people achieve optimal health may be open to debate, and they are willing to participate in that debate, but they are resolute in their pursuit of health equity.⁷

3. Health is multistakeholder.

Employers have traditionally cared about their workers' health, and workers certainly remain a primary stakeholder. But health-savvy CEOs recognize that, as leaders of some of the world's largest and most influential organizations, they participate today in a new social contract. They embrace their opportunity and responsibility to make choices that fundamentally affect the

health of *all* stakeholders with whom their organizations engage: customers, contractors, suppliers, alliance partners, and broader communities. They consider their responsibility with awareness, respect, and attention.

4. Health is about drivers of health.

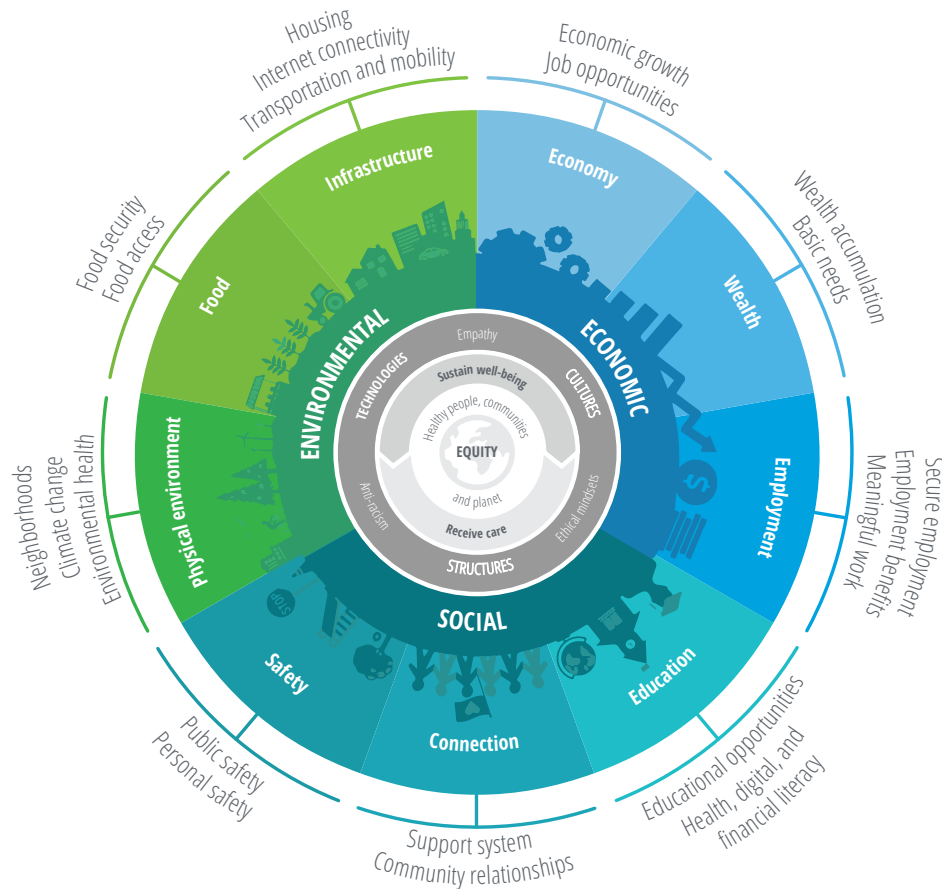
Health-savvy CEOs appreciate the tremendous influence their organizations can have on the social determinants of health—income, education, community, and other factors that comprise the social and physical conditions in which people go about their lives. While access to quality health care is important, health-savvy CEOs understand that good health is not simply an outcome of access to good health care or providing a varied menu of health insurance plans to employees.

These CEOs are willing to consider their responsibility not only for the conditions in which people *work*, but also for the influence they can have on the conditions in which people *live*. Indeed, the unprecedented challenges of the past year in working at home have revealed the illusory nature of the boundaries between the two, and highlighted the underlying systems in which organizations play a part.



FIGURE 1

The drivers or social determinants of health



Source: Deloitte analysis.

5. Health is personal, and matters of health drive a CEO's personal brand.

The pandemic's challenges have been felt personally by *every* individual to some degree, and so the ramifications of decisions that CEOs have or have not made to stand up for their stakeholders' health have been felt personally as well. Health-savvy CEOs appreciate the personal impact of their decisions, and they appreciate that those decisions are a direct reflection and extension of their personal values. How they are perceived drives not only the brand of the organization they lead, but their *personal* brand as well.

At a time when employees and other stakeholders have been dissecting with unusual rigor the words, behaviors, actions, and body language of CEOs for clues about what is known and what is uncertain, what is encouraged and what is dissuaded, what can be shared out loud and what must be reserved for private—health-savvy CEOs build their personal brand with intention and care. They practice deep empathy and cultivate a “webside” manner that promotes trust and elicits honest engagement and dialogue.

As Deloitte US CEO Joe Ucuzoglu says, “What really stands out for me is that at the center of

this series of unprecedented events we're all going through together are deeply human, personal experiences. As CEO, having true empathy and connection with what our employees and clients are feeling is essential to building trust."

6. Health requires a CEO-level information strategy.

We live in an age with high expectations for answers and solutions, and decidedly less patience for unanswered questions, conflicting answers, momentary confusion, and systemic ambiguity—all of which have been the reality of living in a pandemic. Health-savvy CEOs draw on their intrinsic skills as CEOs in dealing with the unknown and managing tension between uncertain outcomes and risks. They know that where they source their information matters, and they assemble an "information council"—a strategic portfolio of sources—to meet the expert needs of the moment: for example, seeking frequent input from and direct engagement with credible, diverse sources of knowledge on

business operations and real estate, workforce experience, medical science, and more.

These CEOs stay *personally* close to the latest science, data, and information, creating for themselves a human dashboard of sorts and listening for actionable insight. At this time of prolonged crisis, too much is at stake to outsource crucial decisions, or to delegate being informed and aware.

Cathy Engelbert, commissioner of the WNBA and retired CEO of Deloitte, has been widely praised for her success in steering the twelve-team league through an uninterrupted season of 22 games by establishing the "Wubble"—a "bubble" for over 300 people, including players, coaches, and referees, with strict protocols. In an interview with the *Wall Street Journal*, Engelbert described the simple basis for her decisions: "Follow the science." She continued, "My next career could be in infectious disease because I learned so much about how the virus presents itself."⁸

The actions of a health-savvy CEO

In figure 2, we suggest several actions for health-savvy CEOs to consider as they strive to safeguard stakeholder health.

FIGURE 2

CEOs can take specific actions to help safeguard stakeholder health

AREA OF ACTION	ILLUSTRATIVE IDEAS
DEFINE YOUR PERSONAL AMBITION AROUND HEALTH <i>What is your personal level of ambition as a health-savvy CEO? How do you want to make your mark? Which stakeholder groups fall within your scope of ambition?</i>	<ul style="list-style-type: none"> Focus on the whole-person health of your workforce and their families, e.g., many organizations (including Deloitte) developed new programs during the pandemic to offer financial support for work-from-home technology, child care, flexible time off arrangements, and empowered well-being programs. Share medical perspectives with your employees, e.g., Constellation Brands created an internal event called “Conversation with our Chief Medical Officer” to enable its workforce to engage directly with their new Chief Medical Officer.⁹ Adopt and advocate for practices that set new industry standards that support specific social determinants of health, such as setting minimum salary for all employees.¹⁰ Challenge fundamental societal orthodoxy. For instance, you could institute a pilot four-day workweek,¹¹ designate no-Zoom meeting days,¹² or create alternate “Wellness Fridays”¹³ to give workers time to focus and recharge. Shape the future of health in coalition with others, or through private-public partnerships and alliances.
DESIGN YOUR PERSONAL LEARNING STRATEGY <i>What is your personal strategy for learning and staying informed on current matters of health? What are your knowledge gaps? Who and what will you use as sources? How will you engage with the information? How do you create space for uncertainty, and adapt your learning strategy to changing conditions?</i>	<ul style="list-style-type: none"> Assess knowledge gaps across various relevant areas of information pertinent to your personal ambition, such as public health, mental health, and social determinants of health. Subscribe or arrange to receive regular news updates from a select number of sources, and schedule time to read and digest. Examples include <i>Health Affairs</i>, <i>Modern Healthcare</i>, the health section of <i>The New York Times</i>, and <i>The Wall Street Journal</i>. Invite your chief medical officer or other expert to lead your learning strategy: e.g., one of the authors crafted what constituted a “mini med school curriculum” for the CEO and executive board. Expect mechanisms for learning to adjust as conditions shift, e.g., consider the equivalent of CMEs (continuing medical education) for yourself and your executive team, with in-depth updates on testing, vaccines, and variants as your organization focuses on getting people back to the office, safely.
LEVERAGE YOUR ORGANIZATION'S UNDERSTANDING OF WORKFORCE DRIVERS OF HEALTH <i>How will you deepen your understanding of the drivers of health specific to your workforce? What information already exists in your organization? What additional data do you seek, and how will you establish or reinforce the trust necessary to get it? What will you prioritize?</i>	<ul style="list-style-type: none"> Review medical claims data to understand the most prevalent issues in your workforce. Consistent with your personal ambition around health, assess what conditions can be improved through interventions your organization is willing to invest in. Examples could include well-being subsidies,¹⁴ bonuses for utilizing paid time off,¹⁵ ergonomic office set-up consultations, child care subsidies, and on-site fitness and dietary resources. Confirm your understanding and seek guidance from people with clinical knowledge.
TAKE A SYSTEMIC APPROACH <i>How will you act on your ambitions around health in a whole-systems way? How will you institutionalize actions on health? What needs to change in the design of your organization and its governance?</i>	<ul style="list-style-type: none"> Facilitate knowledge-sharing by convening an external advisory health council. Convene an internal advisory health council to engage a broader cross-section of leadership and talent. Add matters of health to the board agenda. Launch a board subcommittee on workforce or corporate health. Establish or elevate a chief medical officer or chief health officer role reporting directly to you.¹⁶ Avoid internal competition for resources and attention by reinforcing the integration of matters of health with other organizational priorities. Embed health in initiatives around matters such as diversity, equity, and inclusion or sustainability.

Source: Deloitte analysis.

The future orientation of health-savvy CEOs

HEALTH-SAVVY CEOs have excelled at helping their organizations adapt and pivot with resilience during the pandemic, because being health-savvy means being fundamentally future-oriented. Rather than seeking ways to restore the ways of working and operating that once were, health-savvy CEOs have been grounded for some time in a new reality: that even postpandemic, the foreseeable future will likely continue to demand flexibility, resilience, and adaptation from all stakeholders.

Health-savvy CEOs therefore choose to invest now in supporting the physical, emotional, and mental health that determine our capacity to live up to those demands. Investing in health may take various forms, such as support for working parents, new norms for well-being and collaboration, enhanced tools for virtual work, more community engagement, new private-public sector partnerships, and more. In many cases, it will likely require reconfiguring and aligning the organization against new expectations, and rejecting a mental model in which the present is simply a holding pattern to be endured.

As Michelle Gass, CEO of Kohl's, describes the early months of navigating the pandemic, "There's no playbook for this, right? We were making it up as we went."¹⁷ Let's not let what we have learned go to waste. Even when we have achieved higher levels of control of COVID-19, coronavirus variants and other new diseases will continue to be a part of our lives as a global, interconnected population, and a constant factor to be on guard against, prepared for, and reckoned with. But let's also acknowledge that, as Yuval Harari reflects, "In the war between humans and pathogens, never have humans been so powerful."¹⁸

We see clear signs that CEOs are shifting to the work of designing a new future with hope and optimism.¹⁹ As they've led their organizations through the challenges of the pandemic, health-savvy CEOs have exemplified a particular kind of power—to be steadfast ambassadors of that future hope. They know that what matters with respect to health of their stakeholders in the future will be, and should be, not only different from what used to be, but *better*.

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Acknowledgments

Many thanks to **Benjamin Finzi** and **Junko Kaji** for their generous contributions to this article.

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