THE DRIVE TO THRIVE

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Juggling the productivity push with employees' increased expectations that their wellbeing is valued by management is an increasingly tricky task for leaders. Statistics show lagging performance in the skilled-labour sectors of developed countries, shortages of the right staff and rising rates of depression and anxiety among employees. It is unlikely that the economic or competitive environment for business is likely to become easier anytime soon.

Leaders at all levels are caught in a paradoxical situation where they are being asked to achieve two seemingly contradictory outcomes simultaneously: improve mental health and wellbeing, and increase productivity.

Leaders need help reconciling this conflict, which starts by understanding that improved mental health and wellbeing outcomes are not purely achieved by reducing the work, but by improving people's experience when they work. When leaders proactively improve the work itself, people experience positive mental health, work more productively, and in-turn are more likely to enjoy better work-life balance as a result.

Continuous improvement of programs and policies to address mental illness is still required, but so too are proactive strategies to enhance mental health in the workplace and enable employees to achieve positive and productive work experience - to thrive. Managers who foster connection, psychological safety and healthy work design will create a thriving organisation, both in terms of productivity and the mental and physical wellbeing of staff. It's not an overnight fix: leaders at every level must make the time to acquire the knowledge and skills needed to design organisations that are placed to reap the numerous rewards of thriving – for all.

THE LEADER'S ROLE IN SIMULTANEOUSLY MANAGING PRODUCTIVITY AND EMPLOYEE MENTAL WELLBEING

Business leaders across the developed world are facing an employee performance and productivity crisis.

The OECD reports that labour productivity growth in the developed world slipped to just 0.4% in 2016, well below the 15-year average of approximately 1.3%[1]. The G7 largest economies are experiencing the slowest labour productivity growth in decades and even Australia is tracking at less than half its long-term average[2]. Productivity growth is widely seen by economists as a key element to overall economic growth, higher standards of living, and, arguably, political and economic stability. Individual firms, and entire industries, also worry about labour productivity. Most recently the focus on labour productivity is due to concerns about labour shortages. Surveys indicate significant skilled labour shortages for companies across the global economy, from slow-growth, rich economies like Japan to struggling emerging-market economies like Brazil[3]. In Australia, a significant skilled labour shortage in the service sector is anticipated within 10 years[4]. At both the macro and micro levels, lagging labour productivity and performance are serious issues.

At the same time, mental health has surged as a workplace health and safety issue. One survey indicates that mental-health issues have risen 56% in the past year, and almost half of companies surveyed reported that at least one employee had committed suicide or had been at risk of doing so[2]. Managers can spend up to 25% of their time managing staff with mental-health issues[2]. While it is increasingly acceptable for workers to discuss and manage depression and anxiety with their employers and managers, there is evidence that stress directly related to the workplace is on the rise. In the United States, 60% of workers said work-related stress has increased over the past five years. The principal causes included large workloads, high-pressure deadlines, unrealistic expectations from bosses, and the inability to attain a healthy work-life balance.

For many managers, addressing these two issues at the same time is seen as an impossible task. In the typical narrative, reducing workloads and easing deadlines may reduce stress or make it possible for workers to manage non-work-related mental illness. But these changes or accommodations are also feared to reduce productivity and performance. In addition, raising the bar on standards and introducing efficiency techniques are often used as the first levers to increase output but also run the risk of putting more pressure on already stressed employees.

A False Choice?

Increasing productivity and nurturing mental health appear to be competing objectives, however there is significant evidence that they do not need to be so. The key lies in a distinction between the nuances of mental health and mental illness. Much of the effort in recent years to increase employee wellbeing has focused on the identification and support of employees with mental illness, typically depression and anxiety. In Australia, 81% of leaders in Australia report their organisations have programs and policies to address mental illness and regulatory changes have provided mentally ill employees the same rights and protections as those that are physically ill[2]. Despite much progress, the stigma and burden of mental illness continues to incur significant costs for individuals, families, and the economy. One estimate places the annual cost on employers of untreated mental illness at more than $10B in Australia alone[2].

Progress has been made to combat mental illness, but less has been done to cultivate strong mental health – positive states of mental experience. This positive state of mental health at work is often called "thriving" because it is also synonymous with strong and sustainable performance. At a basic level, thriving at work is achieved when a person has optimal levels of thinking, feeling and functioning as they work, manages their energy effectively and integrates their working- and non-working lives in a healthy and effective way.

The area continues to be studied but typical indicators of thriving include:
- Sense of control while one works (e.g. autonomy)[5]
- Being driven by a sense of purpose and meaning [6]
- Alignment of personal goals and values with those of the organisation[7]
- Confidence in one's self combined with the competence to match[8]
- Continual personal growth[9,6]
- Optimism for the future[10]

> **The positive experience of absorption combined with the sense of accomplishment at the end gives the mind an energy boost and hard work can actually be energising rather than draining**

Psychologists and researchers sometimes associate thriving with the frequent experience of "flow", or when one becomes so fully immersed in an activity (in this case work) that "time flies". The tasks that pull one in and engage the person in such a way that the mind becomes more and more focused. After this experience, employees feel a sense of accomplishment and time well spent. This feeling of absorption comes from the healthy way an employee thinks, feels and functions while working. The positive experience of absorption combined with the sense of accomplishment at the end gives the mind an energy boost and hard work can actually be energising rather than draining. In a nutshell, the more an employee has this experience, the more likely they are to be thriving.

By definition, of course, thriving requires time and space to recharge, and researchers also warn about the dangers of total devotion to work. While work can be energising, following periods of work the mind needs to replenish its resources. Thriving is the healthy state of being absorbed and energised during periods of productive work and then recovering effectively afterwards, bouncing back quickly. The good news is that enhancing one's ability to thrive at work means that employees find it easier to detach from work at its completion and engage in healthy recovery activities outside of work, such as exercising or learning[11]. For employees who are stressed about balanced work and life, the ability to thrive actually helps them achieve that equilibrium. In addition, employees who thrive also have greater overall wellbeing and physical health.

THE LEADER'S ROLE IN HELPING EMPLOYEES THRIVE

Leaders at all levels within organisations have a role to play in developing thriving employees. Their specific roles depend on many factors, including the nature of their relationship with employees and their level of power and influence over the internal environment of the organisation.

- Front-line leaders connect with employees building strong relationships with the people around them, helping individuals connect their work to the vision and goals, and developing each person
- Middle managers are in a position to contribute by changing the way work is done by individuals and teams, and by creating psychological safety which is important for performance driven by healthy and functioning mental states
- Senior executives can create the conditions for thriving over time by developing and implementing supporting values, policies, services and culture

Connect with The Person

Front-line supervisors and managers cultivate thriving at the individual level by building strong relationships with each team member, connecting individual interests and motivations to the organisation's vision and shared team goals[12], and focusing on individualised development and support.

Studies indicate that managers connect effectively when:

- They are open, honest and constructive in communication with people while promoting learning and development[13]
- Show genuine interest in each individual team member by providing them with focused time and attention[14]
- Ensure each team member is optimally challenged by their work and support them individually[13,15]
- Provide ongoing and helpful feedback, recognition and coaching[14]
- Focus on moments that matter such as thanking employees, praising them authentically, cheering them up and going above and beyond to help them[16]

Redesign Work in a Climate of Psychological Safety

Mid-level leaders with a broader scope or responsibility can work with their team to improve the way they work. Studies show it is important for leaders to allow team members to feel they have control over the design of their work rather than feeling changes are being imposed on them.[17]

Thriving work design includes:

- Fast and constructive feedback loops – employees know from the work itself whether they are doing a good job[18]
- A good balance of autonomy[19] and leader support[20]
- Control over when, where and how work is done[17]
- Clarity in the role structure and expectations[20]
- Optimal levels of challenge to be motivating and energising[17]
- Enough time and resources to complete full tasks[18]
- Opportunities to work collaboratively through positive interactions with others[17]

When leaders provide the optimal level of autonomy, challenge and support, employees build confidence by taking on new challenges and building their knowledge and skills. This increased confidence encourages further proactivity, which if allowed enough autonomy, they can use to recraft their work further[21,22]. Work design is facilitated by the leader, but the ultimate goal is that employees and the team *continually* redesign the work to make it possible to have the work experiences associated with thriving.

While culture change is a slow process, leaders can also take steps to develop a climate of psychological safety. Psychological safety provides an environment where individuals can experiment and learn, expressing themselves without fear of negative consequences to self-image, status or career[6]. Academic and practical research (including well-known research at Google) provide strong evidence that psychological safety is critical. Google believes it is by far the number one factor that distinguishes effective teams. Work environments characterised by psychological safety also build agility, resilience and create the conditions for the team to thrive in change[20].

Psychological safety can be enhanced by encouraging innovative thinking and risk-taking, reframing mistakes as learning opportunities and threats to egos as opportunities for development (i.e. developing a "growth mindset"). Leaders can also show an eagerness to learn by calling out their own mistakes and learning opportunities, conducting meetings that focus on learning, and encouraging and rewarding expression of ideas even if they challenge the status quo (or themselves as the leader)[23].

Embed a Thriving Culture

Senior leaders have power over more subtle but potentially impactful levers including policies, procedures, communication and culture of the organisation. Culture encapsulates the widely held beliefs and assumptions in an organisation – about work, performance, and the behaviour that is acceptable. A culture that supports thriving is perceived as being fair[24] and empowering, enabling people at all levels to make decisions, contributions and changes to the way they work[17]. When employees feel trusted and supported by the culture they are more likely to connect with others, driving a social culture which supports further thriving[25].

A culture that supports thriving can only be achieved when there is alignment between what the organisation says and what leaders do. It is crucial the organisation has values, policies, services, career pathways and leadership development programs that support thriving[26].

However, leaders must espouse the structural support in their everyday behaviour to embed thriving in the culture.

Flexible working policies are a perfect example of supportive structures that can only cultivate thriving among people if the behaviour and capability of leaders allows. Evidence shows that flexible working increases thriving, but only if leaders work with their team to recraft the way they work to suit their individual needs and help them feel greater control over their work[27,28]. Senior leaders must ensure flexible working supports individuals and the team work toward their goals while supporting their mental health and wellbeing.

The New Normal

It is unlikely that the economic or competitive environment for business is likely to become easier anytime soon. While technology is changing, and competition increasing, productivity improvements are lagging. Anxiety, depression, and workplace stress are growing and employers' obligations to attend to the mental wellbeing of employees is increasing. Leaders at all levels are caught in the middle and need help. Programs and policies to address mental illness are required but so too are proactive strategies to enhance mental health in the workplace and enable employees to achieve positive and productive work experience - to thrive.

To bridge the gap between mental health, organisational productivity and performance, there is a clear need to reframe the issue and capitalise on the opportunity to build organisations with employees that thrive. Leaders at all levels have critical roles: to connect with people, redesign work, create psychological safety, and influence the environment and culture.

Our experience and analysis indicate that managers at the front line as well as senior leaders and executives will need additional training, development and coaching to help employees thrive. Front-line leaders require skills and practice engaging with their employees in a personal but appropriate manner.

They need to be able to spot both the signs of mental distress and the opportunities at work to help employees achieve positive mental states. Maximus has designed developmental experiences that can help managers build their sensitivity to these issues. Middle managers frequently lack the skills to analyse jobs and work design, and make changes that can have a positive impact on the mental health of employees. Focused development on how to design work as well as structured problem-solving can help middle managers build these skills. Executives – often quite removed from the front line – miss opportunities to shape the values and culture of the organisation to enable thriving. We have found that experiences that unlock insights about their organisations, alongside an awareness of how other organisations across sectors and industries operate, help them to confidently address these challenges.

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Leaders at all levels are caught in the middle and need help

ABOUT THE AUTHORS

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Ryan Dixon has 15 years' experience working with a range of top-tier clients across sectors, both nationally and internationally. With a strong understanding of strategy, economics, human resource management, and the principles of organisational design and behaviour, Ryan partners with clients to solve complex business issues, and develop and action tailored organisational solutions, which build organisational capacity and internal capabilities. Holding a Master of Business Administration from Yale and a Bachelor of Science in Management, Ryan takes a creative approach to conducting analysis on organisational issues and developing outcomes that drive value and create impact.

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Liam O'Neill is passionate about developing progressive, healthy and sustainable organisations that create value for society. Liam develops practical solutions for organisations and leaders by drawing on his deep understanding of the scientific evidence related to mental health, wellbeing and work performance. He regularly provides advice to leaders and produces thought leadership on the topic of designing work, developing leaders and changing the environment to cultivate thriving. Liam has completed a Master of Industrial-Organisational Psychology (UWA) where he worked with and was supervised by healthy work design and leadership expert, Professor Sharon K Parker.

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