



Promoting Psychological Literacy for the Age of Globalisation

The Psychologically Healthy Corporation

Introduction

This project of the International Futures Forum (www.internationalfuturesforum.com) pursued in partnership with the World Economic Forum, was launched in August 2004 with an initial phase of research and exploration. This note records the state of thinking at year end amongst the project advisory group, in particular following a meeting of the group in San Francisco in November 2004 to take stock of the exploratory work to date. The note reviews the nature and scope of the project, articulates the strategic insights on which the project is based, and concludes with the project group's intentions for the next steps in the project's practical development. The note is intended to be shared with potential collaborators, especially with reference to our focus on the corporation as a locus for psychological literacy. Feedback is welcome.

In Over Our Heads

We live in challenging times. We are citizens of a global society, living in unprecedented conditions of boundless complexity, rapid change and radical interconnectedness – the defining features of globalisation. Old identities, rules and models of behaviour and understanding have been swept away, but no new certainties yet stand reliably in their place. The International Futures Forum (IFF) calls this a 'conceptual emergency'.

The consequences of living in such challenging times are showing up in the mounting indicators of psychological stress and distress in our societies across the world. Trends in mental illness are rising. The WHO, for example, suggest that by 2020 depression will be second only to heart disease as a source of illness in the world. In a world of confusion people can easily become unsettled and turn to unlikely sources of stability and support. The *9/11 Commission Report* sees this phenomenon evident in Usama Bin Ladin's appeal to 'people disoriented by cyclonic change as they confront modernity and globalisation'. Disoriented people are not confined to struggling nations: this is a condition of life in the modern developed world as well. Harvard psychologist Robert Kegan ties the challenge back to the roots of family, workplace and community in his 1994 study '*In Over Our Heads: the mental demands of modern life*'. We are not coping well.

Mounting Evidence of Psychological Distress

The World Health Organisation has produced two important recent reports – the *World Health Report for 2001* and the *World Report on Violence and Health (2002)*. They make clear that the global burden of psychological distress is rising dramatically in the modern world. We see it in war zones, in refugee camps, in poverty stricken favelas. But psychological distress is also becoming endemic in the so-called comfortable West – and is evidenced by rising consumption of anti-depressant drugs, family breakdown, stress at work, alcohol and other drug abuse. These are significant factors in eroding the 'harmony' and sense of individual fulfilment that the recent WEF *Readiness for the Future Index* saw as essential for future competitiveness and sustainability.

Anthony Marsella provided a concise list of major global events and forces impacting both physical and psychological health in a 1998 article *Toward a global community psychology: meeting the needs of a changing world*. He identifies the following significant trends:

- Advances in telecommunication and media allowing rapid dissemination of information and the emergence of subcultures
- Transportation technology allowing rapid travel
- Major advances in healthcare technology
- Advances in knowledge that challenge traditional values
- Increasing economic dependence
- Rapid population growth
- Environmental problems such as global climate change
- Poverty and inequitable distribution of wealth
- War – including low intensity conflict and systematic governmental repression
- Increase in the incidence and risk of terrorism
- Migration and refugees
- Crime and violence
- Rapid social changes
- Availability of clean water
- Growing tensions between civilizations and cultures

The stresses of globalisation are thus all-pervasive and deeply challenging: dislocation and separation, raised performance expectations in an 'always on' global economy, violence and witnessing violence, threats to or loss of identity and a sense of entrapment in situations not of our making and beyond our comprehension or control. The effects can be profound. Individuals can be disabled by a range of symptoms: debilitating sleep loss, high anxiety, low mood, substance misuse, self-destructive and sometimes outwardly violent behaviours. Relationships breakdown disrupting existing networks of care; organisations lose good people; leaders lose their focus; communities lack efficacy and lose hope. Once coherent societies develop fault lines along ethnic, religious and racial lines. This vicious cycle generates the conditions that lead to a deterioration in 'social capital' resulting in further declines in mental health. This in turn inevitably has knock-on consequences for physical health. Research has shown that prolonged stress also has an effect on the immune system, primarily through a decreased T cell response. As we become more vulnerable psychologically we also become physically more fragile.

These are not stresses showing up only in zones of conflict or of relative poverty, although clearly they are far more likely and far more debilitating in those contexts. They are also having marked impact in the developed economies. For example, one disturbing trend is the increase in the divorce rate worldwide, especially in Asia where even ten years ago divorce was quite uncommon. In South Korea the percentage of marriages ending in divorce increased from 11% in 1990 to 47% in 2000. We have seen the same trend in the West, with concomitant increases in the numbers of children living in single parent families. There has been a 25% percent change in the number of such children in the US 1990 to 2000, and a 50% increase in numbers in the UK from 1979 to 2002. Clearly, learning how to live fulfilled and effective lives in the modern world is proving a challenge for us as a global society.

Impact on Business and the Economy

Psychological distress is costly - in human and social terms and in the consequence of growing insecurity. There are also clear economic costs – which are dramatic and rising. For example, the recent Wanless report for the UK Treasury on funding the National Health Service revealed that compared to the big killers, heart disease and cancer, mental disorders account for more than twice NHS and other public services' spending and nearly three times the number of days of certified incapacity (sick leave). A proportion of these direct costs fall to employers – not only in terms of care, but also lost productivity.

There is considerable data and research relating to the size and costs of the burden of mental distress, particularly in the US. But these data must take their place in a bigger story that includes social and other factors – the story of a global society and a global economy struggling to cope with and mitigate the stresses of modern life and of constant change. The simple fact is that these trends are not going to go away, and the steps we are taking to tackle them at present are both increasingly costly and ineffective.

Recent research suggests that as the world of work becomes more complex, 60% of managerial roles require skills possessed by only 30% of the population. We know that peace-keeping, conflict prevention and nation-building are just some of the prominent new roles for the 21st century that will put all participants, civilian and military, under new pressures. We can see the generational shifts within cultures under the pressures of globalisation and rapid change, and the increasing need for cross-cultural understanding. These circumstances place rising demands on people to raise their psychological capacities – a challenge that our existing responses are failing to meet.

IFF member Robert Horn specialises in visual analytics at Stanford University and has started to draft a number of information murals for the project to capture the complexity of this bigger picture. A rough first sketch of such a mural, drawing on a variety of data gathered by researchers working on the project to date, is included here as figure 1 on the following page. The full-size poster is very detailed: this smaller version can be read and understood at the headline level. Our intention is to give some idea of project team's commitment to produce a compelling visual analysis of the extent and complex nature of the current problematique, with particular reference to the economic costs and relative ineffectiveness of mitigation.

Going Beyond Our Current Response

Our current response to these issues is clearly deficient, as revealed by the data. Our tendency is to reach for a biomedical solution – hence the rise in the use of anti-depressants, or the use of psychotropic drugs in the treatment of children (the number of prescriptions for Ritalin in the US has increased five fold in the last decade). Yet whilst some mental disorders have a genetic basis and require treatment of the individual, there is also a growing level of psychological stress that is systemic and societal in its nature and requires to be addressed as such. Systemic problems cannot be dealt with by a traditional medical approach. Psychotropic medicines are not the answer. Nor will there ever be enough trained counsellors, psychologists and psychiatrists to deal with problems of this scale. Besides which, much of this expertise is culturally specific and what we face are the challenges of living in a global society.

We believe that a critical strategic insight that will help to transform our practice and our effectiveness in this area, and help us rise to the challenges of globalisation is simply that in these turbulent times, as in all times, **psychological necessity trumps rationality**. Under conditions of stress, people think and act according to their psychological needs first – be this to avoid fear, uncertainty or change. We can see this played out in politics, in society, in business, in conflict, in countless areas of our daily lives. We crave security, certainty and confidence, yet live in a world that seems deliberately set up to undermine all three. Unfortunately, our lack of the psychological capacity to cope in such a world leads us into a variety of “defensive routines”, some of them violent and destructive, most of them triggering unintended consequences, all of them promoting long term patterns of stagnation and decay rather than the learning and growth we so badly need.

One such is a neurotic response: obsession with control and predictability, alienation, denial of the confusion by looking for simple answers, retreat to various forms of fundamentalism and the powerful reassertion of old beliefs. This is a reactionary response, seeking comfort in past certainties. There is also a more disintegrative response. This might be described as psychotic: giving up on making effective sense of the world, nihilism, dissociation, dropping

What story is emerging about global mental distress?



out, seeking release in alcohol or drugs, tuning out. There is ample evidence for both responses in today's world.

They are both coping strategies. They can work, but they can equally be destructive and dysfunctional – for the individual, for organisations and for society. They are both based on previous behaviour and assumptions. Neither is capable of rising to the demands that this extraordinary world makes on us - as individuals, as family members, as workers, as corporations, as communities, as a species. To realise the full benefits, opportunities and potential of living in the modern world we need to explore a third response based on learning, adaptation and growth: taking ownership of our internal world, making new meaning within changing realities, understanding people and cultures at a human level, and encouraging others to do likewise.

We believe the capacity to respond in this way to our challenging times has become a core competence for the 21st century, and one that we are sorely lacking. It is a competence combining personal growth with psychological literacy. There is historical support for the notion that when people are faced with disruptive forces in which fundamental anchors to identity and patterns of life change or disappear, though many suffer the kinds of adversity documented by the WHO, many others have the necessary resilience to learn their way into the new world. For them, the disrupted patterns provide creative opportunities to develop new skills, new tools and new ways of life that are better adapted to the new circumstances.

We appear to have reached such a point in the process of globalisation. Consider the challenging new missions of the coalition armies in Iraq, or the new challenges on CEOs and all levels of employee in powerful global corporations. We need new skills and competences. We can learn a lot from the strengths and solutions of those creative and resilient individuals and communities that have shown the greatest ability to adapt to today's demands. Thus, in addition to focusing our efforts and resources on addressing the casualties of disruptive changes, we should also consider how we might facilitate the widespread development of the new psychological capacities for the 21st century that will enable people to navigate the uncharted (white) waters of the global age and to seize its opportunities.

This project seeks to explore how we might devise simple tools to stimulate the spread and the development of this competence in business, government and communities across the world.

Developing Psychological Literacy – a model

We need to incorporate a level of psychological literacy into our reading of the world and our responses to its challenges and opportunities. Essentially this means taking the breakthroughs of the twentieth century in our understanding of the individual psyche and finding ways of applying them to the collective needs of communities, nations, societies and organisations.

We believe that it makes sense to start with a sophisticated and tested model of individual psychological growth, to see whether we can develop the model by analogy and investigate the ways of applying it practically in wider contexts. One such model is represented in figure 2.

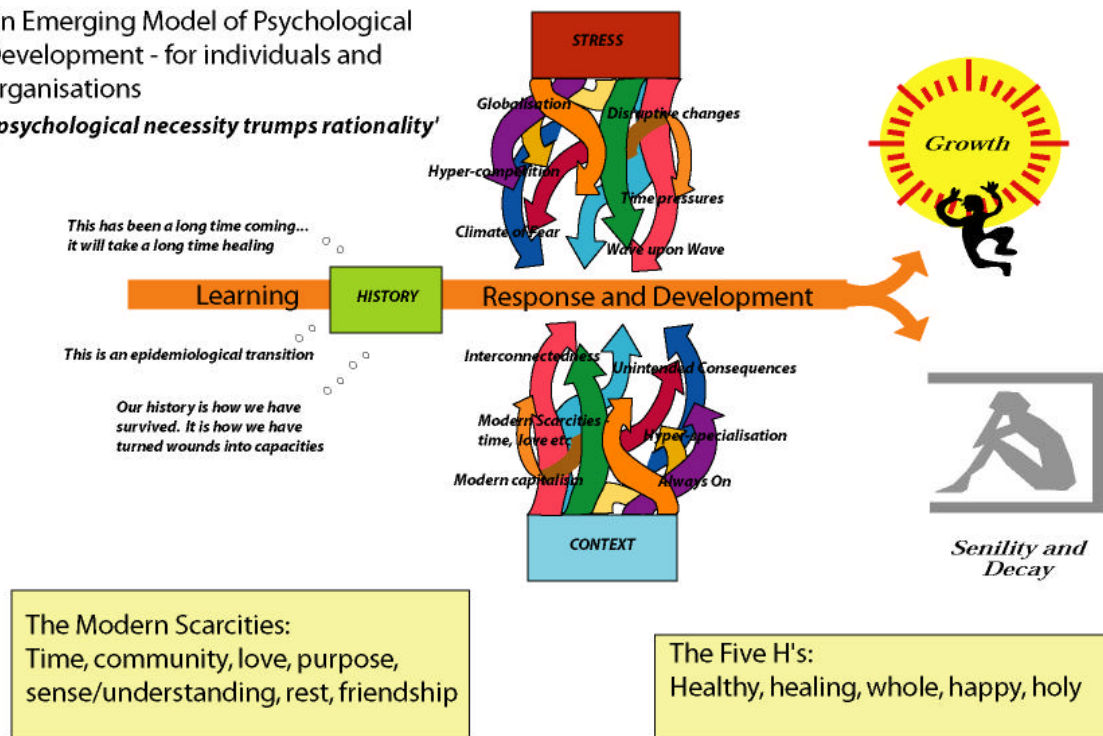
This suggests that any individual has a set of life experiences and learnings that we call their history. This past experience is a powerful factor in how the individual sees the present and responds to change, stress, the new and the unfamiliar. And unfamiliar stresses are a fact of life. Some of these can be anticipated – they are associated with life stages – like puberty, natural growth and development, growing pains. Some are the product of the external environment and other factors, shifts in circumstance, rising pressures etc. Some of these are equally predictable, like the stresses of dark, cold winters on Northern Europeans, others

come out of a clear sky – tragic accidents, economic disruptions, terrorism. It is these stresses, the shifts in the environmental context, that are becoming overwhelming in the modern age, that drive us in over our heads. As the model implies, a certain amount of stress is not only inevitable but also necessary for growth and development. It is a good thing. But we need time to process it and to learn our way through it, to turn a source of stress into an opportunity to grow and to develop – and time to learn is one thing that the changing context will not allow us. What we can reliably anticipate in the case of the individual is that if stress is not leading to growth it will lead to stabilisation, decay and the loss of vitality. In short, we are either on a path to growth or to senility – and we have a choice about which we take.

Figure 2

An Emerging Model of Psychological Development - for individuals and organisations

'psychological necessity trumps rationality'



The essence of a project to develop psychological literacy in our age of globalisation must involve exploring the implications of this model for business, government, society, and communities. What are the new skills, behaviours, processes and capacities that we need to develop in each of these spheres in order to build not only resilience to the stresses of the modern world but the capacity to trigger transformational growth? How can we learn to choose growth over senility? And what are the basic tools and knowledge that we need to invent or at least to make more widely available in a practical form to encourage this development?

The Corporation as a Human Being

In exploring this model and its practical implications further the global corporation is potentially a very powerful place to start. Corporations form the backbone of the WEF community, are undeniably powerful actors in shaping and responding to the modern context of globalisation, have a great deal to gain from the insights from psychological literacy, have a proven capacity for innovation and experiment, and are also the places where we spend an increasing amount of our time.

It is also easy to see how the model of psychological growth and development for the individual reads across to the corporation. For corporations too have histories, they have to cope with predictable growing pains and transitions, and they are constantly having to adapt to the changing global and market context. The challenge lies in fashioning a response to such stresses that is a growth response, rather than managing for stability and long term decline.

The model of psychological literacy suggests at least three significant insights for corporations:

- 1) *Corporations are human beings*: as IFF member Martin Albrow has remarked, it is a shame that the phrase 'human being' has been appropriated exclusively by the individual. The fact is that organisations are also human beings – manifestations of humanity being together. This is the essential link between the individual model of psychological growth and the corporate perspective. And in a world in which psychological necessity trumps rationality, it is essential that the corporation should grasp this connection.
- 2) *Corporations must sustain social resources*: the model of growth and development implies a commitment to the longer term. It will be of little interest to companies that are intended to be short-lived. But for those with a long history and an anticipation of remaining in existence for a substantial future, then questions of sustainability and growth cannot be avoided. Psychological literacy suggests that corporations need to pay attention to the sustainability of their social resources and the social environment as much as to physical resources and the natural environment.
- 3) *Corporations must change their assumptions in order to thrive on stress*: models of psychological growth and development suggest that there are tried and tested ways to encourage the growth response to stress and change, rather than cautious avoidance or, worse, destructive denial. Actions so far observed in response to the rise in mental distress, including in corporations, suggest that these lessons have not been learned. They point to underlying assumptions about human nature - that people are somehow cogs in a machine, that they can operate in "always on" mode and can be patched up when they fail. In fact the psyche needs time to process trauma and stress. Developing psychological capacity to learn new skills and behaviours takes time and inner work. It can be frightening and disorientating so requires safety, space and often a helpful catalyst or facilitator. But evidence suggests that our human potential given these conditions is extraordinary – and the same could apply in a corporate environment.

Real Growth

We hypothesise from this analysis that people, organisations and communities with a high level of psychological literacy would demonstrate obvious signs of the growth response to stress. One way forward in developing these insights and their potential practical benefits is to identify these growth signs, look for them in specific corporations (and indeed in other environments) and to find ways to maintain, sustain and develop them. In this way we would hope to learn how to develop the tools and processes needed to encourage greater psychological literacy in a wider variety of organisations.

So what are the signs we should look for? We suggest, as a first take: health, happiness, wholeness, healing, holiness and profit.

Health and happiness might be seen in the workplace as fewer absences from work and greater job satisfaction. Wholeness would be seen in people feeling connected to the purpose of the organisation as a whole, even whilst working on highly specialised tasks; and on a larger scale in healthy relationships between the company and its community. Signs of

healing might include examples where people have been able to turn ugliness into beauty, wounds into capacities (to use Goethe's phrase) – a creative response to enforced lay offs for example. Holiness would be reflected in the extent to which people have a connection with a higher purpose in their lives through their work. Organisations showing such signs of psychological health, we suggest, will have a stronger chance of realising long term profit in an uncertain environment and hold the promise of sustained strong performance.

At the community level, where people show a transformational response to their histories, context and stresses, they are healthier and happier. They feel safe. There is a high level of participation in governance and volunteering. Examples here include Porto Alegre in Brazil, where 50,000 people are involved each year in setting the budget for the city. These communities have a strong sense of purpose and optimism about the future. They have been able to transform their world from ugliness to beauty and wounds to capacities. An example here is the Football Stadium in Santiago, Chile, once a prison camp and holding centre, now a national monument to the “disappeared” who lost their lives under the dictatorship of Pinochet. We can learn a lot from the way cities and societies have coped with stress in the past to inform our understanding of how collective psychological growth occurs, and feed that learning back into the corporate domain.

Next Steps

This analysis is offered at this stage for comment and awareness raising. It is intended to demonstrate both that there is a problem, and that we can already see the seeds of a more effective response. It also proposes an initial focus on the corporation as one powerful arena in which these insights can be developed for general benefit.

This suggests two areas for development as the next stage in this project:

- 1) We would like to start working with a small group of interested companies to look at their own organisations for the signs of growth we identify above. We hope through this process to develop a learning set to develop the insights in practice and begin to fashion the tools and processes needed to spread them more widely;
- 2) At the same time, we would continue to learn from this initial focus on the corporation to develop our understanding of the model of psychological literacy and to develop resources for areas in the world where communities are facing or have faced in their recent past war, violence and other traumas. We can learn in this area from cities and communities that have demonstrated a psychologically literate response to their experiences.

The aim in both contexts is to spread a simple, practical awareness of what it takes in the modern world to recognise and respond to psychological needs with a growth orientation – and to support that over time with the development of specific information, tools, processes and other resources to help our global society cope with the challenges of the future.

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