

Bill Novelli:

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Ellen Kelsay:

That's Bill Novelli, author, professor, founder, and social marketing pioneer. Bill currently teaches at Georgetown University's McDonough School of Business, where he also founded *Business for Impact*, whose mission is to unleash the power of business to help people prosper and the planet thrive. Prior to Georgetown, Bill was CEO of AARP, the founder and president of the Campaign for Tobacco-Free Kids, the COO of CARE USA, and the co-founder and president of Porter Novelli, one of the world's first social marketing companies.

I'm Ellen Kelsay and this is a Business Group on Health podcast, conversations with experts about the most important health and well-being issues facing employers. Today, Bill and I are going to discuss the power of purpose-driven companies.

Bill, welcome, delighted to have you with us today.

Bill Novelli:

Thanks, Ellen. It's great to be here.

Ellen Kelsay:

Well, I've just been reading your book and just so intrigued by everything that you've included in a *Good Business*. I wanted to start with that for the basis of our conversation today. You have had such a fascinating career. You've seen and done an awful lot. You write in your book about the power of purpose. I'd love to start with you sharing your thoughts on both what you've learned about purpose and why purpose-driven companies are so important.

Bill Novelli:

Well, I think purpose-driven companies are not just important, but it's a growing trend. I think companies today realize that if they can build social and environmental strategies into their core businesses, that they're going to do better financially, and also, they're going to help win customers and attract and keep talent and also serve the communities in which they operate. We all know about the Business Roundtable's redefinition of purpose of a corporation. I think they're on the right track and that's all been a big part of this trend. Employees are a part of it. They want to take pride in their organizations and they increasingly want management to speak out. Then, of course, consumers want to know that companies are engaged in doing good. Trust in institutions is down pretty much across the board, but among corporations it's actually up. In addition to that, investors are getting more and more engaged in the idea of having companies do well by doing good. I like to call it the triple bottom line. A lot of people use that phrase. It's people, its planet, and its profit.

Ellen Kelsay:

I love the triple bottom line and it's so important. I think you use the word "engaged" quite a bit and why different stakeholders are engaged and why they are looking at purpose in an increasing light. I wanted to maybe pull on that thread a little bit more from a couple of different perspectives. You first mentioned about employees and employees expecting that their organizations and companies do this. It's table stakes. It's not a nice to have, it's a need to have in many instances. Also, we know that within employees, there are different expectations by generation and that some employees might have different expectations around how and where employees might engage from a purpose perspective. Let's maybe first talk about younger employees and what does purpose mean to them? What are they looking for?

Bill Novelli:

I'm a pretty lucky guy, because I teach in the business school in the MBA program at Georgetown. I've got tomorrow's leaders in the classroom today. These MBAs, and also the alumni who graduated from these programs over the last I'll say decade or so, they're interested in business and society. They say they want a purpose as well as a paycheck. A good example is a student who said to me recently, he said, "I have a lot of student debt; I have to pay it off; and I want to have a family and I want to have a house and I want to have a good career, but I don't want to lose my sense of purpose." In that sense, they want it all. These were young business people. They want to succeed in business. They are business oriented, but they want both. Of course, companies understand this. They recognize that, you know, these talented people are expensive to recruit them and to retain them and they are a critical asset. In order to compete and succeed, I think companies today are responding to these trends.

Ellen Kelsay:

I think when you talk about purpose and wanting to have a career and purpose and finding fulfillment in all that they do, that's so important. As you think about the workforce and trying to compete for talent, this has become just even in this past year, that much more of an issue for companies. One thing I wanted to ask you about is, we've seen certainly over this past year or more, increasingly employers feeling both the need, but also the pressure to speak out and to take a stand on some social issues that may not be obviously directly tied to their business necessarily, but are certainly part and parcel of what many of their employees are expecting them to take a stand on. Whether it's social justice or election issues, we've seen many employers and organizations speak out on societal issues. I'm wondering when you think about that trend, is that a reflection of just current events, is that a reflection of their desire to connect more deeply with employees and employees' sense of purpose and community? What's your take on that?

Bill Novelli:

Well, you know, Ellen, I think it's been going on for quite a while, but the terrain is getting more uncertain these days. There's a lot of research that shows that the public thinks companies should take a stand on social issues. Also, they feel more empowered to get companies and brands to take positions. Of course, there's risk in speaking out, whether it's a political issue - a good example might be the election laws that were passed in Georgia and in many other states - there's risk in this, but there's also risk in staying silent on social and political issues. I think there are some rules of thumb, at least ones that I've thought about. Number one, I think it's important to monitor all relevant stakeholders. In other words, companies have to have their antenna out before they take a position. An example that comes to my mind is in Georgia when Coca-Cola and Delta Air Lines and some others experienced backlash after they spoke out and then they had to backtrack. Of course, companies don't want that to happen.

Another thing, Ellen, is firms obviously shouldn't take positions on every issue, but it's important to have statements ready on all relevant issues, so as not to be caught off guard. The media and their constituents, you mentioned employees, anybody may be asking so it's good to have your position, even if it's no position, ready to roll. Things are getting more politicized. We see that and companies need to be prepared if they're going to be in control. My bottom line on this, Ellen, is I think companies are going to weigh the risks and they're going to continue to speak out on relevant issues when they think it's the right thing to do.

Ellen Kelsay:

I think there's so much there that I would love to delve more deeply into with you, because I do think there is a lot of pressure on companies. We've certainly seen it, as you've said, not just this year, it was there before this year, but certainly it seems to be more acute on more issues recently. It is a slippery slope, to your point that there are some risks and some potential pitfalls. To the examples you made, you don't want to have to backtrack and try and kind of course correct and fix PR issues after the fact. You also use the phrase "relevant issues" and to speak out on relevant issues. When you say relevant issues, is that relevant to their business or issues that matter to their workforce? How does a company

determine what's relevant or not? When it all, kind of at the face value from societal perspective, is relevant to all of us socially.

Bill Novelli:

That's part of the conundrum, isn't it? I think there's maybe two dimensions to that. One is what the management of the company thinks is relevant. The CEO, the C-suite people, what do they really care about? What do they think is relevant? But equally, or maybe even more important, is what do their constituents think is relevant. When we talk about constituents, it takes us back to the idea of purpose. We're talking about employees, about consumers, about other stakeholders including suppliers and, of course, regulators as well. You've got to both please yourself and please all those constituents. That's what makes it, I think, swampy ground to try to cover.

Ellen Kelsay:

I'm glad you brought this back to purpose, because, as you know, our audience are largely employers and they're offering very robust health and well-being programs to their workforce and family members. They, all day, every day, think about how can they continue to support their workforce from a programming and benefit offering perspective. We know that when it comes to well-being, in particular, there are so many aspects where purpose does have a connection point, whether that's their connections socially, whether it's connections to the community, whether it's mental health and emotional well-being. How individuals come to work and show up to work every day is often impacted by things that happen in large part outside of the workplace. There is a relevancy here to what is going on in the world around us and the issues that, to your point, employers need to think about from a constituency perspective and who the stakeholders are and the employees being a significant stakeholder group from that perspective. Threading that needle around the issues of relevance to the business and to management and leadership at the organization, but then also issues of relevance from a health and well-being perspective and doing so in a thoughtful way. Like you said, you can't take up on the mantle on every issue, but doing so thoughtfully on the ones that matter is increasingly important. Employees are expecting it and it's the affinity and affiliation they have towards their employer and wanting to feel that connection and engagement with an employer that is "doing well by doing good," as you use in your book.

Bill Novelli:

I totally agree. I think you're right. I wanted to give an example of a purpose company. One of them that I like to use is, I'm a member of the Business Group on Health and that's CVS Health. Their head of corporate social responsibility is Eileen Boone. You may know Eileen. She and I serve on a board together. About five or six years ago they decided that they wanted to, I won't say reinvent themselves but maybe reposition themselves, as a true and total health company. The first thing they did was take cigarettes out of their stores. This was controversial for several reasons, but one reason was it costs them about \$2 billion in annual revenues, but they did it. For them, as Eileen has talked about, that was the beginning of a transformation. They really sort of reinvented the company in many different ways in terms of how they organize it, the different offerings they had to consumers, they bought a health insurance company, they did all kinds of things to transform themselves into CVS Health. Eileen likes to say that she's the best recruiter that they have and she says that's because everybody who wants to come to CVS Health has this sense of purpose, has this sense of an organization that's truly health-oriented. She said truck drivers, pharmacists, they all want to know about this. I think that's a good example.

Ellen Kelsay:

I love that you shared that and they are doing tremendous work. That's great. I know that taking cigarettes off the shelves is an issue near and dear to you from your past work, certainly with the Campaign for Tobacco-Free Kids. It's especially relevant, not only for the purpose, but also for the social marketing and campaign that you directed many years ago. Thanks again for sharing that. That's wonderful.

Let's talk about social marketing. You have a storied career in marketing. You founded one of the world's first social marketing companies in Porter Novelli. I would love to hear about your experience, what we can learn from your experience, related to social marketing, and maybe in particular, how we can take some of those lessons and apply them currently to a current situation such as COVID-19 vaccination and uptake in vaccines. Anything from a social marketing perspective there that you think is contemporary and could be applied to vaccination efforts underway currently?

Bill Novelli:

Well, I think companies are the best potential social marketers there are, because companies are good at marketing per se, so they should be good at social marketing. What we're talking about, Ellen, is trying to influence behaviors to improve individual health, employee health, for example, and society as a whole. I always think of three lessons that I want to keep in mind in talking to companies. First of all, if you're in management, you're probably not the target audience of employees or others. We oftentimes think we know what this is about, but oftentimes you got to get out there and do the research and really understand what the insights are, gain needed insights, just as if you were doing a commercial campaign or consumer campaign. Whether it is reducing injuries on the job or decreasing smoking or improving vaccine uptake, do the research.

The second one I think is important is keeping key employees involved so that they're part of the program and you're not just acting upon them. They can offer ideas and they can help persuade their peers, which is really important. They don't want to feel left out and we don't want them to speak out. I think keeping key employees involved is really important.

Then the third thing sounds a little bit counterintuitive, but as powerful as marketing is, it's a robust discipline, but it usually isn't enough by itself and I learned this a long time ago. Company policies may be needed. An obvious example is eliminating smoking on the job. That had a real big effect in driving down smoking. Another policy being considered right now is whether to require vaccines of people to return to work, and that's controversial, but that's part of a potential policy strategy. I think we need a combination of persuasive marketing and company policies. We're not going to persuade people to get vaccinated by hitting them over the head with facts. We need to figure out obviously what their feelings are, what their attitudes are, but a really powerful motivator, I think, is what their peers think of them. To the degree that you can build up vaccinations among employees and let other employees know about it, I think that has a powerful effect.

Ellen Kelsay:

I love that you kind of walk through those steps and you started with doing the research and keeping people engaged and then marketing alone isn't enough and that it needs to often be augmented with some policy. I think sometimes people think about marketing as a synonym for being sold to, and that therefore, inherently there's some element of distrust, right? I think when you start with research and understanding the concerns on the ground, and in the case of vaccines, augmenting that with research around the science, keeping people engaged as stakeholders and champions internally to help carry forth the messaging, trusted messengers and how that really matters. Again, it's not just communications and marketing, it is also being thoughtful about the policies around vaccines or masking or returning to the workforce or whatever it may be depending on the employer and what stage of returning to a post pandemic world we may be in. I really appreciate that you break that down because I do think it ultimately isn't about selling to anybody or marketing to anybody, it's trying to encourage and persuade people to action.

Bill Novelli:

Well, your point on action is exactly right. We're not in this to make people aware of something. The name of the game is behavior change.

Ellen Kelsay:

Absolutely. That's one hundred percent right. I think it's so important on so many important issues right now. Well, thank you.

I really wanted to ask you...as I was reading your book, the last chapter is called, What Do We Owe our Grandchildren? It's really about contemplating the future and the future world. I would love to wrap up our podcast conversation with some notes of optimism, reflection as you were writing the book, why you closed with that chapter, and ultimately, Bill, in your view, how can we leave the world a better place for the generations to come?

Bill Novelli:

I'm glad you mentioned optimism. I am truly an optimist. I put the book down before I wrote that last chapter and I thought to myself, what is it exactly we owe future generations? And I thought to myself that, you know, Ellen, all four of my grandparents came here from another place. They were all four immigrants. When I was growing up and as a young adult, I thought to myself, what are those immigrant values? I came up with, first of all, love of country. Immigrants love the United States. They're here because they want to be here. The second thing is pretty obvious, strength of family and then a reverence for education. I think also an appetite for hard work. I thought to myself, those are powerful values that we all want to live by, how can I teach my grandkids that? This is a generation that has so much, but not everybody is equal in our country. I mean, we got to face climate change together. We need to pull together on that. But in my mind, the biggest thing is we need to fix the American dream so that it's fair for everybody. There's a story about Jesse Owens, who was a sprinter back in 1936 in the Berlin Olympics when Hitler was trying to make it the area in Olympics. And Jesse Owen says once the race starts, it's not about black or white, it's about fast and slow. That's so true, but everybody has to have an equal chance at the starting line. Your companies and all of us have heard about zip code risk, the idea that your zip code has a bigger effect on how long you live and how well you live than your genetic code. That's not fair. We need to work on the American dream and make it better and I think we can all do that. We've been given a great country, I didn't say a perfect country, but a great country. Our obligation is to make it better and to pass it on. And that's our legacy.

Ellen Kelsay:

Well, Bill, so profound and I think there is on the one hand you can think, gosh, the magnitude of the challenges and how much work still needs to be done to achieve that dream and to truly have the world we live in be a better place for the generations to come, but on the other hand, in the past year the opportunities that have been exposed, illuminated the rallying cry that we all feel to address the issues of inequity and to have the starting line and the playing field be an equitable one, and that we all can have an impact, whether that's in our families, in our communities, or at the workplace, and in the companies that we all work for and lead and have the responsibility to and privilege to lead. I think that brings us back to a great place where we started about purpose and purpose in communities, purposing companies, and really underscoring that point about the benefit for those organizations who really do focus on purpose as a core fundamental underpinning of the organization and doing well by doing good. Bill, thank you so much for this conversation today. So much more to think about and talk about. I'm really impressed with all that you are doing and just delighted to have you share some of your wisdom with us today.

Bill Novelli:

Thank you so much, Ellen. I think you're absolutely right. We are making progress and we should be optimistic, but as you say, we have a lot more to do.

Ellen Kelsay:

We'll all be busy for a long, long time to come, but that's good. Good problems to work on together and a lot of opportunity for us to have impact, which is what we're all looking for. We're all looking for purpose and fulfillment, so good work ahead for us in those areas. Thanks again, Bill.

My guest today was Bill Novelli, professor at Georgetown University and author of *Good Business, The Talk, Fight, Win Way to Change the World*. I'm Ellen Kelsey, and this is Business Group on Health podcast, conversations with experts on the most relevant issues facing employers today. Please consider sharing today's episode with a colleague and giving us a quick review. Thanks for listening.