This Land of Strangers

Robert E. Hall  Co-founder/former CEO, author

robertehall.com  facebook  linkedin  twitter  @RobertEHall1

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1. **Destruction**: No. listed U.S. cos. dropped by half 1996—2012
   - S&P 500 avg. life span: 61 years (1958) today 20 years *Fortune, 10/22/15*
   - No. of business startups down 44% since 1978
   - “dividends/buybacks S&P 500 exceeded companies’ operating profit.”
     *Laurence Fish, BlackRock, Dealbook, 1/23/17*

2. **Concentration**: 8 men own same as 3.6 B people, *AP 1/16/17*
   - Rising income inequality most significant econ. trend *WEF, Davos, 2017*
   - 50% new businesses concentrated 20 of 3007 counties. *R.Hall, HuffPost*
   - Nat’l media: 8 of 9 wealthiest counties; 32% trust, down 8%/yr. *(Gallup)*

3. **Tech Disruption**:
   - FB, LI, Zynga, Zillow, Box Tableau, Zulily, less jobs *Circuit City lost ’09’
   - Truck-driver No. 1 job 29 states – HS grads, driverless trucks?
   - 45% paid jobs can be automated with current technology *McKinsey*
   - “Amazon-ed”: Inflection point – end of retail as we know it. *eBay CEO Wenig 3/27/17 re last holiday season*
1. **Trust:** Largest-ever drop: bus., govt, media, & NGOs. **Majority in 2/3 of countries (1/2 2016)** distrust all 4, all-time lows for many.  
   - CEO credibility fell 12 points: 37% globally, Japan 18%; Govt. 29%; 1 in 5 trust business leaders to tell truth—difficult issues.  
   - Edelman 2017

2. **Leadership Capability:** gap widened every region/world  
   - 50% workforce – *not recommend employer to peers*  

3. **Engagement:** 70% employees disengaged at work, 18% actively disengaged.  
   - *Employee engagement & culture: No. 1 challenge around the world*  
State of Relationship:
• Only 28% of Americans belong to any group with leaders they consider accountable and inclusive (new findings USC).
• 35 million Americans live alone, up 114 percent since 1960
• Volunteering down: 30% in 2005 – 25% in 2015 (U.S.)
• Voting down in presidential elections; significantly so in midterms since 60s

4 large-scale, integrating civic institutions shrunk significantly since 2000:
• Churches/religious congregations
• Unions
• Metropolitan daily newspapers
• Political parties: grassroots participation sustained beyond campaigns

Robert Putnam, PBS News Hour, “American Needs Big Ideas to Heal Our Divide. Here are Three” 10/19/17
Disengagement Economy:
Cumulative cost of disengaged & antagonistic stakeholder relationships: home, work, politics and faith

“Is Love the Answer to the Disengagement Economy,” Forbes, 5/11/15 re Robert Hall’s HuffPost

I. Relationship Crisis – Perfect Storm: Home, Work, Politics, Faith
II. Relationships: Most Valuable & Value-creating Possession
III. Root Causes: Tech & Unintended Consequences
IV. Relational Leadership: Reclaiming & Restoring Relationship
I. Relationship Crisis – Perfect Storm: Home, Work, Politics, Faith
Achieved fewer divorces by having fewer marriages.
Reduced promiscuity by substituting smartphones/pornography.
Leveled off out-of-wedlock births by major baby bust. Douthat, 12/1/17

Family
- Divorce rate 50% (doubled since 1960)
  - Marriage down 50% since 1970
  - Kids: 2012 50% born to mothers – 30, unwed; up 726% @ 5X poverty

Friends:
- Close “go-to” friends declined by 1/3
- No close friends – tripled, mode – men fewer than women

Community:
- 17/50 major urban school systems: 50% graduation rate
- Upward mobility: Ratio single-parent families – No. 1 predictor Harvard, 2014
U.S. Corporations lose half their customers in 5 years, employees in 4 years & shareholders in months – P. Kotler

Customers: Defection up 30% (5 years 2008); 1% = 5% profit
- 86% trust corporations less than 5 years ago
- “False” associated w/ word ‘advertising’

Employees: Turnover Quits highest/decade 2017
- 70% disengaged/work, 18% active. Engaged: 57% + effort, 87% - resign
- Satisfaction: job -16%, boss -9%, co-workers -12% (1987 – Now)

Management: Turnover CEOs up 170% 1995 – 2003
- 35% workers forego substantial pay raise: boss fired

Shareholder: Churn Annual stock ownership 250%
- 21% 1979, 78% 1999
Millennials (1980—2000) largest workforce demographic 2015: 92MM vs. 77MM

**Attitudes:**
- 50% prefer ‘unemployed’ to job they hate, biggest fear – working too hard
- 81% believe should set own hours
- 90% deserve “dream job” – listened to even when youngest present

Barry Salzberg, Deloitte “What Millennials Want,” LinkedIn, 1/27/14

**Purpose Full:** volunteer more (43%) – more donate
- *Millennials don't ask 'where do you work' – they ask 'what are you working on now.'* Senator Mark Warner, Virginia
Politics: A State of Dysfunction

*Political dysfunction crippling U.S. economy: “biggest threat to economic competitiveness”*  Michael Porter, Harvard, 9/15/16

Political leaders: more divided
- **Approval:** Trump 40% RCP, Congress 17% vs. 50% 2003 Gallup
- **President Opposition Approval Gap:** 30% 60s; 75% Bush/Obama, now Trump – 72% (80% Republicans, 8% Democrats)
- **Congress Political Moderates:** 40% (1977-79) vs. 10% today

Voters 3D: divided, distrusting & defecting
- **Voters ideological extreme:** 29% 1972; 49% – 10% shift content 50% R, 33% D: unhappy child marry other party vs. 5% 1960
- **Trust Fed Govt do right thing:** 68% 1960s, now 13% -- $$
- **Party Defections:** doubled 50 years, “Not” (Ind.) 44% > Dems, GOP
Religious War and (No) Peace

Faith: You can safely assume you’ve created God in your own image when it turns out God hates all the same people you do.
– Anne Lamott

Divided: 64% say religion under attack; 46% Religious Right imposes
Switched: Half adults changed religious affiliation vs. 15% in 1955
Unaffiliated: ‘Nots’ doubled last 18 years & up 1/3 last 5 years

Trend: Groups most oppositional, growing fastest:
- Defections: Mainline churches down 50% -- shrinking 2% annually
- Divide: Atheists, conserv Christians, Orthodox Jews, radical Islam
  +175%
‘GENERATION NOT’: CONNECTING THE ‘NOTS’
Downward Spiral of Crumbling Relationships

- Loss tax $, demand more services, deficits, gridlock, $4.7 T cost*
- Loss of jobs
- Globally Uncompetitive
- Poor work performance
- Kids from chaotic HH
- Poor school performance

* Corporation for National and Community Service

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II. Relationships: Most Valuable & Value-creating Possession
Even the new physics tells us that matter is merely the manifestation of spirit, but spirit, consciousness, relationship itself is the real thing. We used to think all the energy was in the particles of the atom; now it seems that energy is, in fact, in the space between the particles.

Richard Rohr, Everything Belongs

Why Humans Top of Chain? Prehistoric humans were insignificant animals: like gorillas, fireflies, jellyfish.

Productive Relationships/Cooperation: Humans share, cooperate, share common beliefs...Not whether belief true/good, but belief in same things. Stories, religion, govt, laws, ideologies: common understandings, unprecedented cooperation. Mark Zuckerberg citing Yuval Harari, Sapiens VOX 2/18/17

If cooperation drove evolution, how does loss of cooperation drive devolution?
**Individuals: Health**

**Divorce:** Depression for divorced men 6X and women 3.5X higher

**Kids:** fathers live 2 years longer, mothers 18 mos. – than childless UK 3/13/17

**Bosses:** Men w/bad bosses 20 — 40% more likely heart attacks

**Living alone:** Men heart attacks returning live alone 4X death rate 2nd attack

**Loneliness:** Mortality rate = smoking, 2X obesity, 2X Type-2 diabetes 12/19/17, loneliness up 65% decade (Ortberg)

**Organizations: Wealth**

**Units > median employee/customer engagement:** 3.4X financial success

**Engaged employees:** 57% more effort, 87% less likely resign

**Customers strong relational connection:** 49% retention, 2X rec, buy 46%

**Word of mouth:** 2/3 economy runs on, up 50% since 1970s McKinsey
Economists put a price tag on our relationships – if you:

- volunteer once a week: increase to happiness like moving from a yearly income of $20,000 to $75,000
- have a friend you see on most days: like earning $100,000 more/year.
- see your neighbors on a regular basis: gets you $60,000.
- getting divorced: like suffering $90,000 decrease in your income.


Where no community exists, entertainment rushes in to fill the gap.

Theodore Dalrymple, Freedom and Art, City-Journal.org Summer, 2017
III. Root Causes: Disruptive Tech & Unintended Consequences (1/4)
Computers acting like people…people acting like computers: N Carr, Wired

Tech & SM – replace human interaction as source of information
- **Isolation**: 8-18 7:38/day devices – HHs lose 70 minutes/day
  FB Depression, Tech Addiction, Smartphone use & depression/suicide
- **More FB**: less happy, less empathy, more envy
- **Dial-up Media Bias & Wounding**: feels good;
  c-bullying, talk radio, cable TV, blogs, drones, fools w/tools
- **Sex**: “1st gen grow up: sex disconnected from relationship.” WSJ, 8/30/13

Parents: 78% believe they are good media role models for their kids
- 56% worry kids: addicted to tech, 34% fear impacts their child’s sleep.
- Spend: 9 hrs/22 min. a day/screen media, 7 hrs/43 minutes personal
IV. Relational Leadership: Reclaiming & Restoring Relationship
The secret to managing is to keep the 5 guys who hate you away from the 4 guys who haven’t made up their minds.
- Casey Stengel, manager, NY Yankees, 1949 – 1960

Behind every great man is a woman rolling her eyes.  Jim Carey
Behind every “great” leader is a staff rolling their eyes.  Robert Hall

Productive teams are the engine of breakthrough and growth

• Large, complex challenges: single person, skill set, resources overmatched
  • WWII: Churchill, Roosevelt, Stalin, de Gualle– Winant, Harriman
  Citizens of London
• Family: Ranch – Buzz Newton, Wilbanks, brothers, their mom
Jobs was dying 2011, asked him: What product, innovation proudest of? Mac, iPhone, iPad.

‘Here’s what I’ve been trying to tell you. Making products is hard. But what’s really hard is making a great team that will continue to make great products.’

Walter Isaacson, Wharton10-6-16
The Crucial Role of Leadership: Family as Team

*The most important healthcare system in the world is a mother. How do you put things in her hands that she understands and can afford and use.*

Richard Klausner, former ED, Global Health, Bill & Melinda Gates Foundation

Relational Leadership:
Leadership that puts relationships first—an intentional, proactive energy force for engaged, productive relationships:
- means/tool/way to stakeholder success
- vs. obstacle to be overcome, problem dealt with

Your Relational Leadership Question:
Are your relationships big enough to get the job done – in 2018? 3 P’s

Steve Radcliffe, *Leadership – Plain and Simple*, Cambridge University, re Brexit
1. Make relationships strategic priority.

But the big change came when the officers running the wars understood that R.B.’s actually matter more than K.I.A’s. One relationship built…imam or insurgent was worth so much more than one K.I.A. - Thomas Friedman

Intentional about relationship infrastructure: set goals, budget time, track metrics for growing productive relationships – individual & group

- Proactive Relational Leadership: not same as just being nice, seeking unity not the same as uniformity
- What is your relationship intention (pers/org)? How prioritize productive relationship as highest priority?
"When things go wrong [with a project], it's people who have done something that didn't work…Problems start with people and they end with people.

…a typical project manager spends 80 percent of his time on task management and 20 percent of his time on relationship management, but should be devoting more time to relationships.

Yet project management training and certification programs are only just beginning to address the people-side of projects and the importance of relationship management.”

Meridith Levinson, “Project Management: How IT and Business Relationships Shape Success,” CIO Magazine
21 Organizations, 2,500 people, 7 Years – Electronic badges: tone of voice, body language, whom talked to, how much, etc.

- **Teams that ‘click’** – “sense buzz even if didn’t understand what members were talking about” – **team energy**
- **Patterns communication**: most important predictor of team success — over individual intelligence, personality, skill, substance – combined
- **F-t-F**: Team performance 35% function number f-t-f member exchanges

Sandy Pentland, Director Human Dynamics Lab, MIT “The New Science of Building Great Teams,” HBR, April, 2012
2. Cultivate, grow purpose that grows relational commitment

Constructive purpose: great unifier that redirects us from our self-focus – opposite of purposeful is “petty”

Hungry for Purpose:
- “Meaning & purpose” No. 1 Priority prof. women accepting job: Elevate Network
- SRI assets: $3.74 T 2012, $9 T today; more powerful/sustaining than money/status/self (Socially Responsible Investing, ESG environment, social, governance)
- Purpose: unifies diverse individuals around something bigger than self

Love over hate: If the Iraqi people as a whole decided today that, they love their children more than they hate their neighbor…this could come to a quick conclusion. Peter Pace, former Chairman Joint Chiefs of Staff, height of sectarian violence, Iraq War
Best Teams: Purpose-filled

50,000 high-performing teams. Variation high-/lower-performing teams: 3 Qs
Gallup/Deloitte HBR, April 2015

1. No. 1: “At work I have the opportunity to do what I do best every day.” Bus. unit employees chose “strongly agree” – 44% more likely to earn high customer satisfaction scores, 38% more productive, 50% lower TO
2. “My coworkers are committed to doing quality work”
3. “The mission of our company inspires me”

Scott Cook on “tyranny of financial metrics” vs. Purpose:
• Top Question:  *Where we can change lives most profoundly?*
•  *Resolve never to begin or end an investment conversation with reference to a spreadsheet.*

Clay Christensen, Derek van Bever, The Capitalist’s Dilemma, quoting Scott Cook, Founder and Executive Chairman, Intuit, HBR June, 2014 (QuickBooks, TurboTax)
3. Structure for energy & engagement: vs. empty, alone, powerless
   • *Invite, engage, enable, empower*

**Power of Community:**
‘*Abundant community is where we make visible gifts of everyone*’ – *Peter Block*

**Develop relationship scale:** break into small groups – circles vs. rows; leverage f-t-f, innovative teams;
• How to empower: *share power and engage*
• Rules without relationships = rebellion
• What mechanisms: team – together, high touch, engaged.
Over 50% of workers admit to quitting jobs [marriages, social groups] to flee a power-abusing boss. Mark Crowley, “How We Gain Power & Influence: Science’s Surprising Answer,”11/18/16 Dasher Keltner, UC Berkeley

Power has similar effects on frontal lobes as brain trauma…through brain trauma you become a sociopath…When you feel powerful, you kind of lose touch w/other people, stop attending carefully to what other people think, feel. Robert Hall, “Trap for Leaders” Huff Post, Dacher Keltner 1/31/15

Relational leader: How can I em-Power more constructively?

• Leaving space: engaging/respecting “other” pain, problems – 54% workers “no respect,” from leader. Avoiding: elitist contempt.
Every great team must suffer a little, and sometimes a lot, in order to achieve greatness. Scar tissue is stronger than regular tissue. Patrick Lencioni, *Five Dysfunctions of a Team*

4 Do’s and 1 ‘Do Not’ for Relational Leadership:
1. Prioritize functioning of the team over personal opinions/views
2. Talk last (mostly) – after hearing from others – not first; make f-t-f priority
3. Seek challenge of diversity/differences over ease of group think/conform.
4. Embrace relational struggle as necessary and developmental – a team is not fully a team until it has overcome differences
5. Do not become “immobilized” by disagreement – set time frame for deciding