EMPLOYER STRATEGIES TO DRIVE A HEALTH AND PERFORMANCE EDGE

Sabrina Spitaletta 00:00:15

Good morning and welcome. I'm Sabrina Spitaletta from the Milken Institute, and we're pleased to have you here today to focus on the role of the employer and strategies for health and performance. It's not what you hopefully have heard already in the ecosystem. The idea here is that the employer is a community in itself. The employer sets its policies, the employer recruits who's there, the employer has different incentive plans. So, it's yes, in the policies, but it's also the competitive edge of the culture. The culture that's built every single day by the little and the big actions that are taken. It's about the measurements and the standards that are set and also the investments that are made in the communities by what the organization does, and then also from the social impact perspective. And so, here today, I'm gathered with three incredible executives, and these executives bring different lenses. So, the idea is that this ownership of health and performance is everyone's, and from a leadership, whether it's from CEO, strategy, social impact, foundation, chief medical officer, it's across organizations. And so, we challenge all of you to think of the different roles in your organizations, whether nonprofit, for-profit, government, that bring to light the opportunity to drive what health means in your organization and performance. So, we're going to start the conversation in terms of big picture, that big picture from your different lenses. So, Lieutenant Colonel, I'm going to start with you in terms of big picture, health and performance and what that means. Share a little bit about NPower, your work, and then we'll go down the line before we jump into our full conversation.

Jarrett Thomas 00:02:09

Awesome. So, first, Sabrina, thank you for the invitation to be here, and thank all of you for being here today. So, I just recently retired from the military after years, and just transitioned, but I'm with a organization called NPower, which is a national nonprofit where we provide tech training for youth as well as transitioning military members and military-connected individuals. So, for me, it's a rewarding experience, especially coming from the military itself. And if I can, I'd like to take you back a little bit further, which is why this is important, especially for our transitioning service members. Each year, over 200,000 service members transition from the military, and those that find employment, that is great. For those that don't, the services are responsible for paying unemployment compensation for those

individuals. Now, back 2012, the services were paying about a billion dollars of money that should've been used for readiness issues for the services. The Army alone was paying half a billion dollars of that. So, the services at the time said, "Hey, it's critically important we focus on making sure transitioning service members have the tools and skills that they need to go straight into employment." So, what is important for me is to be a part of NPower to provide those opportunities for those transitioning service members, as well as their military spouses and other military-connected individuals and the work that we do with youth in the field. So, what we do primarily is we provide industry-recognized certifications to those individuals so that they're prepared for a field in technology. Specifically, we work with the Department of War when it comes to our cybersecurity SkillBridge program, and that's a 10-week program. And in that 10-week program, we get three industry-wide recognized certifications in technology, in those skills. But then we also provide the skills for individuals to get them hired into organizations. For example, especially for military, the resume prep, which many of us, no matter how long you stay in the military, you don't do too many resumes in the military. The interview prep, again, there's specific jobs you may interview for in the military, but for the most part, you do not interview, so you don't have that skillset as well. But then also just making sure you're prepared for that transition and being able to translate those skills moving forward. So, and after that, after we give them the industry-recognized certifications, after we give them the professional development skills that they move forward with, then we help them with the career services and help them find employment in technology moving forward. So, it's incredibly rewarding for me to be in the space as a transitioning service member, but also being able to see us being able to help military families transition, because it's not just a service member.

Sabrina Spitaletta 00:05:41

Thank you for that. Meaning the context, the explanation, because that helps build on as we dive deeper into health and performance, different parts of the workforce, and what that looks like. So, at the beginning, I talked about different roles in the organization, different executives, and how they're looking at health and performance, and also that we're looking at this from the organization perspective, so system level, but then also individual, the employee, and also the community and the impact on the community. So, Cara, with your work, could you share a little bit about at RBC, what you're doing with the foundation in the US and the impact and how this connects big-picture health and performance?

Kara Gustafson 00:06:20

Yes. Thank you. Thank you, Sabrina, and it's an honor to share this conversation with you, Colonel Thomas and Dr. Williams. I always feel like in any company I'm working in, I have one of the best jobs because we get to invest all of the money that the bank earns in our communities and in the people who make up those communities. And I have spent my career always at the intersection of the financial services industry in impact-driven roles. So, I've seen firsthand what it means when you invest in a small business owner in the United States or an entrepreneur around the world, when you're investing in those communities, that they're not just short-term things, but there's real long-term economic benefit that continues when you invest in education and economic opportunity and when you can bring the time and talent of your employees to those communities. And so, at RBC, I have the great honor of stewarding our US investments across our US businesses. We are a global bank. We're one of the largest financial institutions by market cap. We have more than 100,000 employees globally. We're in 27 markets, and our business in the United States, I've seen over the past two years, is really just growing. And so, as we grow in this market, what I've been able to do is really take a look at how can we use our philanthropic capital in new and innovative ways to make sure that we are investing in, in our case, communities broadly, but in our

case, in the United States, really looking at how we can invest in that next-generation talent. I think we all feel the ground moving underneath our own feet, and then you think about young people, young adults who are preparing or have prepared to enter a workforce that now looks very different. And making sure that we're using our philanthropic capital in a way where we're investing in resilient communities because those investments are what will make a resilient workforce. And so, thrilled there's a lot of directions to bring this, but I'm always focused on how we can use our capital and our people and our capabilities as a business to make those investments in the communities where we're working and living.

Sabrina Spitaletta 00:08:51

Thank you. Thank you for setting the stage of the intersection of the business, the investment in the community, and back to your employees, because we're going to spend some time there for sure. Dr. Williams, the Chief Medical Officer of Lockheed Martin. You have a vision, you have strategies in terms of how you're thinking about people and health and performance. If you could share a little bit about that with our group here.

Charles Williams 00:09:15

Yeah. Thanks for the opportunity, one, to sit with this distinguished panel. I'm a little bit of the knuckle-dragger of the group up here, if you haven't noticed. All of these very distinguished panelists and then me. So, Charles Williams, I'm an emergency medicine physician by training, and so my life of 17 years was seeing patient to patient to patient, and so engaging quickly with individuals, seeing what I could do for them, and then doing the best I could for them, not only in the time I had with them, but for their journey on. I transitioned into corporate medicine as the Chief Medical Officer now for Lockheed Martin. Have been back with Lockheed Martin as the Chief Medical Officer for five years. My role is really focused more internally on our employee population. Those of you—every one of you that's in the room, hopefully you believe that your number one asset, regardless of what your company and your organization does, is the individuals, right? Including you yourself that are sitting there. If you're not well, if you're not healthy, both physiologically and psychologically, then your productivity, your innovation, your ability to compete, and all of those things that your company relies on you to do will be denigrated to a certain extent, depending on the amount that you're being challenged. I, in my organization, work closely with our senior leadership to understand the direct impact that that has on the work that we do that's very important. Lockheed Martin, if you've not heard of us, then all you need to do is turn the television on or pick up a newspaper or listen to a radio report. Our focus is 21st-century security, really, for the globe, and we span the bottom of the ocean floor to the farthest reaches of mankind in space because we made the Artemis capsule that was on top of the Orion rocket. So, the reality is that we have truly some of the most intelligent, brilliant people on the planet working to do some of the most complicated things that we have to do in order to keep ourselves safe. In your organization, if you lose one of your employees, it's going to cost you somewhere around 100 to 150 percent of their annual salary to replace that employee.

Charles Williams 00:11:42

In our organization, some of our employees are, like many of the other organizations I know that are in here, are the only ones that can do the things that they do. So, the reality is you may not be able to replace that talent at all. And so, my organization, we have 30 on-site medical centers embedded in our production operation facilities across the United States that are focused on primarily ensuring that our workforce is operationally ready and workforce-capable in order to do the jobs that we ask them to do. And they focus

on occupational health, but they also do preventive care, episodic care, emergent care. They participate in the return-to-work, workplace accommodations. And what I tell and I charge my health-care providers that are embedded in our facilities is if our employee or someone associated with Lockheed Martin business—if you're a visitor on one of our sites or locations, if you're a visiting diplomat, or if you're a family member—if there is a medical or psychological need, then you will be there and available for them to help engage with them. And so that is a very granular way in which we focus on delivering enhanced health to our population, because our population is a subset of population that exists outside of our doors, and we have the same issues with caregiving, accessibility, affordability, and all the challenges that the general population does as well. And so, we have to work within all the different plans that we have, from our health benefit plans, our well-being plans, and what we can do from my on-site medical providers to try to help address those, because it is absolutely important that every one of our employees is as mission-capable and ready to do the work that they do every time they come to work. Because the things that we do are really, really important. Not only for ourselves, our company, and our P&L, but for really the world and global security.

Sabrina Spitaletta 00:13:50

Thank you. Thank you to each of you for setting the stage, showing from a different executive lens, different area of the business or sector or industry. And so now that we get deeper into it, I'm going to start with you again, Colonel, and then Dr. Williams, and then go to Kara regarding resilience. Right? We talk about headwinds. We talk about whether it's mental health, talent shortages, uncertainty. It reaches all of us, no matter what it is. But each of you individually has also talked about resilience and building resilience. So, it's not the elimination of risks and hard things, but how does that play a role in your work, and what does that mean? And then overlooked populations.

Jarrett Thomas 00:14:33

So, that's a great, great point. I think a lot of us recognize that our military members and their families are some of the most resilient people that we have in our nation. But it's not just because sometimes they'll go to war, they'll come back, they'll have to take care of the household, those kind of things. It's also the repetitive change, adaptability that they have. When I talk to people still within the military, and they talk about their transition, leaving the military, it's that uncomfortable feeling of, "Okay, I don't know what's next. I don't know how to accomplish this." But I mention to them all the time that you're used to doing this. You move every two to three years. You've got to pack up, move your family, relocate, do something different. You may still have the corporate body of the military supporting you in that transition, but you're going to a different location and doing different things, and you're going to different jobs. Jobs that you may not be as familiar with, that you may not know about, but you can bounce back relatively easily. It's the same thing with transition when you leave the service. But also, it's all of us together that help build that resiliency within the military. So, it's those that are in the military, it's the military itself helping service members adapt and change and get used to what is coming next for them, but it's also the industries that they're going into and the industries that you all are part of. When you see a military member come into the organization, and you embrace them, you invest time in training them, spending time with them, welcome them to your organization, that helps with the resiliency of those individuals. Because the transition for a military service member is not just that service member, it's their entire family. They're all making a change, and the easier that you make that transition for that service member, then they're taking that to their families as an easy transition overall. But again, it's us together, inside the military, those of us

outside the military, wrapping our arms around those families and making sure that they're prepared for what's next.

Sabrina Spitaletta 00:17:05

So, I hear you saying, even from a workplace, from the role of the employer, resilience in the context of veterans moving from military service into industry or private sector, whatever it may be, it's about not just transferable skills which they have, it's these transferable experiences—

Jarrett Thomas 00:17:25

Right.

Sabrina Spitaletta 00:17:25

—and showing them that you have it, and then it's the culture of the organization that they're going into.

Jarrett Thomas 00:17:31

Absolutely.

Sabrina Spitaletta 00:17:32

And so, they've got this training already, the leadership, millions of dollars of training and some pretty intense environments. But it's showing that they just need to know that there's a place, there's that line of sight, that skill fits well. That's what I hear you saying in terms of the resilience and that transferable.

Jarrett Thomas 00:17:50

That is correct.

Sabrina Spitaletta 00:17:51

All of that, we talk about the theme here is health within reach. That's within reach. We all can do that in terms of a well-trained population. And Dr. Williams, you've talked about resilience as well, resilience building—the importance of it from an economic perspective, a health, a human perspective. Can you share your lens a little bit?

Charles Williams 00:18:12

Yes. Remember the definition of resilience, right? A basic definition of resilience is your ability to withstand and endure and be productive during stressful times. We are all under stress, every one of us in this room. What I tell people is if you're not under stress, get up and fly around, smile, and fly out the door because of gravity itself, right? Invisible force that pulls us to the Earth. But if you think about it, the reality is that we all have stress. When does stress become a problem? Stress becomes a problem whenever your coping mechanism to resist it or you're not strong enough to resist it. Colonel Thomas was talking about why our military are so resilient. It's about conditioning. How many of you in the room have done something once and you were an expert? None of us, right? None of us. In medicine, in executive work that we're doing and so forth, every one of us had mentorship, leadership, repetitive needs to it. So, one of

the things that we do within our organization is we understand that in order to be resilient, there is a persistent initiative that's needed. It's needed from everything to continue to drive the culture. Just like your ability to be a professional doesn't occur just once, the culture in your organization, you don't get it and keep it, right? Unless you continually work to maintain it. And so, remember, culture is really about work design. It's leadership commitment, and then everyone's participation. So, those three things are key. What I do within our organization is I work with all of our cross-functional organizations to try to take a risk control perspective to resilience and understanding the things that are risks to our population being resilient. In other words, leadership not getting recurrent training on critical conversations with your employees. How do we fix that, right? Employees not understanding how to access benefits. How do we fix that? Our benefits team looking just from a fiduciary perspective at our benefits plan versus a health outcome perspective. How do we fix that? The reality is—oh, I haven't fixed any of those things yet. But I'm very optimistic. I still use two pumps of shampoo for my hair. I think it can be done. And the way it can be done is by continuing to have the conversation with your senior leadership, with your executives, with your board, with your stakeholders, that we need to continue to work with our leaders, who are the main conduit for conversation for our employees, to focus on the things that keep us resilient. And that is taking care of ourselves, engaging in our health-care plans, engaging with social networks and in our communities to empower all of us to grow and be better and to keep our family well.

Sabrina Spitaletta 00:21:25

Thank you. What I hear you saying—a number of things—and with that, there's also a pace that is just continuing to pick up speed. And so, if we have this continuous beat of doing these little and big things consistently, we'll be able to handle that pace. We'll be able to handle the change, the uncertainty, and there's got to be a priority in these little and big things. We were talking about a study—we were all there yesterday, it was about sport. It was focused on sports and high performance, and that what distinguishes that high performance and that health is not just you were born talented in that one time, and now you're the star of the show or at work. It was the training. What you talked about even with the military, it was that showing up, the refinement, the coaching of saying, "You know what? Tweak your technique here." Or as you're saying, Dr. Williams, at all levels of the organization, it's that consistency of "How are we doing this well?" And so, when we talk within reach, it's not just a new discovery, it's also things that are uniquely human that we can continue to get better at and at all levels of the organization. And so that builds resilience. That helps us. So, not eliminating, but each time we get better, and we recover quicker, and allowing, I guess, time for that recovery, right? So, with that, as we talk about external business, we talk about an employee impact, there's also community. And Kara, I've heard you talk a lot about line of sight, and your employees have line of sight, not just what you do as a business, but also what their talents do to help in the communities that you also serve. Could you talk a little bit about that and how you connect that to resilience?

Kara Gustafson 00:23:14

Yes. And I love that point about the little moments that are building up to what ultimately can create a resilient human being or the resilience that you need to navigate whatever it is that you're navigating. Because I think it really just underscores that these are early investments—early and frequent investments that need to be made in individuals—and how that kind of translates into what you see in a community. And I think it's one of the reasons why it's really critical, particularly now, that we think about what are the investments that we're making in the next generation of talent. I mean, my job in day-to-day at work has changed night and day in the last months, just in terms of bringing digital technologies and AI innovation

into how we think about the operations of our job, serving clients, funding organizations in this way. And so, we're now expecting this generation that is preparing to and entering the workforce to just be able to adapt quickly. I don't know that that is realistic. And so, by starting early in the lives of young people, whether it's providing education, whether it's providing mentorship, whether it's providing skills-based volunteer options where your employees can sit down side by side with young people and go through those resume preparedness or mock interviews with them, or come into an investment bank so that they can learn what are all the different facets of inside of our institution. Yes, it's finance, but there are many other roles that you can have. Starting that early when they're in high school—and I think that's where we think about building resilience in community, is it's through some of these partnerships that we have with our nonprofit partners. And the thing that I have been so inspired by every day that I've been at RBC is both the forward-looking commitment to this, but also the long history that we have. Our earliest investments in the community go back to 1891, I think, is when the first community investment was made at the bank. And there's a forward-looking commitment, too, where we have committed to invest billion Canadian by 2035, globally, to invest in the health and resilience and opportunity that we can bring into our communities. And so, it's that combination of finding the programs that we're able to fund to invest in those young people, but also pairing our talent, because we see that employees, yes, love any kind of employee volunteerism, but it's really when you can sit down and lend your expertise to a nonprofit organization or to a young person at the table with you, and you see the light bulbs go off and you can have those breakthroughs. Those are moments of investing in how do you create resilience within this individual to continue to solve a hard problem or pursue a harder path, and you see that those moments really create connection between employees and the communities that we're serving.

Sabrina Spitaletta 00:26:45

That example, pulling off of just prior conversations too, or many things that you've said in here, where the individual from the skill, the employee, but the partnerships you have where they're very talented, and do great work in terms of the community, but you're helping them to scale because they may not have those resources. And so, when you shared that, it shows that impact is exponential, in a sense, right? So, yes, you're helping the individual. The individual then realizes then he/she/they're able to do something even bigger with those talents inside an incredible organization, but then within your partnerships, but then scaling the growth of that nonprofit that's further building the resiliency in the community. The other piece that—just to bring out here is you're making commitments, just like the one you just said, in the horizon where people know it's coming and it's staying and it's out there versus is something going to happen. And so, this multiyear lens, strategic lens of investment—not that it could eliminate uncertainty in people's lives, but it helps with that planning of upstream and how we then can collaborate better and longer. And so, that's something that is unique and you're out there and much appreciated to hear that. The seeing the people's skills, understanding what they do, Lieutenant Colonel, when someone doesn't feel seen and they're coming out from the military knowing there's a next chapter, from lived experience, what helps in terms of that transparency? What have you seen?

Jarrett Thomas 00:28:24

So, I'll use myself as an example. Again, I just transitioned in January, so it's very recent for me. But let me start off by saying I failed. And you may ask, "What, how did you fail?" My plan initially many years ago, I was going to do four years active, four years reserve, and then I was going to get out and do something different. 30 years later, I finally left. But, it was because I really enjoyed what I was doing in the military. It really fit with how I was raised and I enjoyed it a lot more than I thought I would. And so, my wife and I

decided—well, I'll say it this way. About 10 years in, my wife said to me, "You're at 10, you might as well go 20 and retire." I go, "Yes, okay, makes sense to me." And then I said, "When we get to 20, let me know if you want to do something different, and I'll do something different." And about 21-ish, she said, "Well, if you want to do 30..." And I was like, "Yes." So, I knew 30 was going to be the time for me, and as I approached 30 years, I started to really think about why I was really still there. Yes, I still enjoyed the military all the way to year 30, but I started to think, "Am I still here because I enjoy it, or am I still here because I'm afraid to try something different?" And I think it was the latter. So, you get to that point where like, "Okay, well, what am I going to do?" As we say in the military, "What am I going to do when I grow up?" And it took me 30 years to figure that out. And I was fortunate, because everybody's experience in the military is different. Some people stay four years, 20 years, 30 years. Some people have in their mind what they want to do when they separate from the military. Some people, like me, had no idea what they wanted to do when they separate. So, the experiences are different for each individual person. But the stress, I think, is there for everyone. And I didn't realize the amount of stress I was feeling at the time because I was able to mask it a little bit, and I was resilient, like we were talking about earlier. But I didn't realize it until the time got close to—okay, my last day is coming in the military. And occasionally my wife would remind me, "You probably need to figure out something to do because we still have a mortgage to pay." I'm like, "Yeah, you're right. I'll figure something out." And I was very fortunate, unlike some of my peers, I had an individual from NPower that I actually knew. I currently live in Baltimore, and a friend of mine who then worked for NPower said, "Hey, an opportunity just came up. I think it's something that would fit what you're doing." And so, once that opportunity came, and I did several interviews for it, but once I got the offer, I felt so much lighter. I felt like, okay, this is doable. This transition can happen, and I don't have to worry about all the things that I didn't know I was worried about at the time.

Jarrett Thomas 00:31:57

So, that is why what I do at NPower is so important to me, especially being able to help the military-connected individuals that are facing the same exact things that I was facing not too long ago. To be able to help them transition back into their civilian life, not have to worry about how are they going to pay their mortgage, what they're going to do. Because a lot of us—and I know you know this—when an individual is transitioning from the military, they don't necessarily find that right fit. They're looking to, again, pay their mortgage, pay those bills or whatever, so they'll take what job comes to them. A lot of times it's they're underemployed. A lot of times they just don't find the right fit. So, they end up taking a job, and it doesn't feel right for them, so six months later, eight months later, they're transitioning to something totally different, trying to find that sense of purpose that they received when they were in the military. And so, the sooner organizations can realize that military talent is out there, and they can contribute to your organizations, and you bring them on board to your organization, you then reduce that amount of stress that those transitioning service members are going through. Like I mentioned at the beginning, it's 200,000 service members every single year. A vast majority are looking for employment. Some are going to school, so they can get those skills. Some, very few, but some are independently wealthy, and they decide to just retire. But for the most part, it's either employment or school. And so, regardless of what you choose to do when you leave, you need to make sure that you're able to get into a place that you're most comfortable, that you want to stay in, that you want to feel that you can contribute to an organization or wherever it is, and you can be successful. Because when we do that, we're able to prevent some of those downstream challenges that we face if we don't get those things, like homelessness, drug use, incarceration, those kind of things, the negative things that you see from those that aren't able to get that sense of purpose, that connection. We can prevent those things by embracing those individuals with the transition.

Sabrina Spitaletta 00:34:37

Thank you. To pause for a moment, something, Kara—well, each of you have done this, is a level of transparency that something was hard, or you had to do something differently at your levels, and all three of you and very accomplished, and the level of transparency to say that at this point, right? And so, you've shared with us also in terms of you understand that lived experience better having gone through it. And you even shared that reflection, taking the time to say, "When I was on the other side, maybe the narrative was different." Still supportive, but different, and there's this level of when you're walking in the shoes of really or seeking to understand that transformed a little bit more in terms of how you were approaching something, and so that further connection back to the community. And then within the military, that when you had mentioned going into the workforce, the multigenerational workforce, where they're not coming out with a year or two experience. It could be decades. Right? And so, it's not like an entry level. I could say many of us maybe felt underemployed or didn't know what that first job was supposed to be, but we didn't have 30 years' experience or 20 years' experience feeling that. It was coming out of grad school or undergrad or whatever that journey was. So, there's that difference. And so, employers getting a deeper understanding of what that is. Regardless of its military experience or others, it's taking that time to get to know the people in this fast pace that you're saying—all of you are saying—is creating a competitive edge that is feeding into that culture. And Kara, just to hear you just say in your prior comments when you were talking about pace and in the past year, you've been doing this work for quite a while in terms of different environments and finance community, and to say that it's already re-shifting and retooling in a sense, and I think that's important for everybody to hear. And as you're investing also in next gen and then the next generation of all of us, as we've talked about in some of our work. For those of you watching online, I was signaling to colleagues in the front row with a brief that just came out. But very important, the relatability of all of this and then in reach. But to these points, if someone doesn't feel seen—and I want to go to Dr. Williams regarding, you had mentioned something about work design and that connection back to burnout. Right? So, we're talking about achievement and consistency and resilience, but there's another side of that, that is a slow-burn chipping away at your energy, your spirit, your health, your performance, and that's burnout. Can you explain that a little bit further to us?

Charles Williams 00:37:16

Yeah, absolutely. When you heard Colonel Thomas talk about the things that we need to look to empower our employees with, and that is a sense of purpose in knowing what they're doing and the value that they're bringing. If you look at burnout, burnout consists of three things: emotional exhaustion, cynicism, and a loss of professional efficacy. Meaning emotional exhaustion—you wake up in the morning, you look in the mirror, and you're like, "Oh, not again, not today." Right? That's not a good thing. We all have it. Right? At some point in time, we have it. Cynicism. We know what cynical is. If not, see me backstage, we'll have some cynical conversations. And then this loss—I'm an emergency physician and a police officer, so there's no way I couldn't be cynical in my life. And then this loss of professional efficacy. In other words, a disassociation or a lack of understanding of the value that you bring to the work that you do. And the reality is that if you break it down to those three things—now, the interesting thing is every one of us in here and online have had one, two, three of those at any point in time. It's absolutely normal. That's part of the human condition. Burnout is when you have those and you don't have coping mechanisms to escape those. And so if you break it down, if you take a work design perspective in how you're addressing burnout and stress in your organization, and you retro-engineer it, if you're fortunate enough, or unfortunate enough if you have to deal with them, engineers in your organization—beautiful, amazing, incredibly intelligent people that will tax the Hades out of you just because they want to know the details. Use an

engineering perspective to break down the elements that are stressing your population out, and then look to see, with that same engineering philosophy, how you can engineer that out or how you can diminish it. Because just as the Colonel was talking about, and just as Kara was talking about, Kara was talking about all the things she talked about in the community and connecting and this, that, and the other, had nothing to do necessarily with artificial intelligence and technology and so forth. It was people things. It's connecting with people. And the Colonel was talking about the things that individuals have to have in your organization. The reality is, is that with the stress that is increasing in our society, without a doubt, especially across multiple sectors of industry—defense-based industry is one of those, right? It is incredibly important for us to take a risk control engineering perspective and understand that it is a business imperative in ensuring that our people are well. It's not just a fluffy HR benefit thing. So, what I work to do is I work with every organization that I touch internally in our organization, and when we're looking at how we can connect with our communities and social impact through our social impact organization, I look to see how is it that we can engineer the things that we have to do to minimize the amount of stress on our population. And I try to take it down to the individual level because my organization deals with the individuals in our company that are in crisis.

Charles Williams 00:40:41

And so, it's an incredible opportunity, and I would encourage each and every one of you in your organization, as you're developing policy and procedure, to challenge the people that are working on it or implementing it and say, "How's it going to impact Joe on the line?" And then, "How are we going to translate this on the Hill?" And if you can take the subfloor of the sea to the furthest dimensions that man has traveled, that perspective on the policies and procedures you're working to put in place with the perspective of how you can maintain the health and well-being of your population, I can guarantee you—and there's great data that's coming out, and the Milken Institute has been fantastic for bringing this data forward—your company will be as productive, as innovative, and creative as it can be, because it's the people that do that. The other thing that I want to make quickly—a quick comment on—is, don't forget that we are a generation, and I look at myself and the Colonel here, that are an older generation, right? A generation is coming up that does not know what an encyclopedia is. That's never read the dictionary. Right? The instant gratification that we get through our technology—and we've had a big technology focus on this, and it's fantastic because there's no getting away from it—but instant gratification does not build resilience, unless the artificial intelligence is built to build resilience in your population. So, understand, by just making things easier to access, there is a dark side of that, that you're diminishing people's resiliency, and that is the ability to withstand stress and work through stress. So, there is two sides and two edges to this sword of technology that we have. And the youth and our generation that's coming up, unless they have these mentoring abilities, unless they have the social outreach, unless they have the face-to-face skills and opportunities to truly engage and work through what is it that they need in the workforce—if we tell them they have to rely on their technology, you're going to get a population that's not resilient, that doesn't have the ability to work through their emotional issues, and there are going to be challenges in your organization. And we're seeing it already. So, we have a lot of work to do, and it's incredible for each one of these organizations that are working to help defeat that, and on the stage and out there. Thank you for that.

Sabrina Spitaletta 00:43:25

Thank you. Building off of that, if you're thinking to yourselves that that human investment, it's not as timely, or if there's something there that's not as positive, maybe they're experiencing some burnout, that's cynicism right there. If they're not even believing in this, right? That's like a first sign right there—

Charles Williams 00:43:45

That's cynicism.

Sabrina Spitaletta 00:43:45

—clinically. Right. So, I'm not trying to make light of it, but the fact of where we are in life, globally, there's a lot of change, but change is not always bad. And I hear you saying that we learn how to work through this, again, not eliminating risks or headwinds, but it makes us stronger. They're going to look back on these times of what they learned and feel proud of something. We talked about this the other day, too. We have memories of times at work where they're burned in our brains of, "That's not how I'd want to respond when it's time for me to be in that role, if I could be in that role." And then there's times like, "I want to be like that." Right? And so, the examples of the in-person that you're talking about, building resilience, not eliminating it. And so, that brings us, Kara, to your work with next gen and this investment and this priority and this strategy. Can you talk a little bit more about that? Because what's happening for all of us is it's happening all generations in the workplace, and also thinking upstream. So, it's not just investing in one area, you're thinking of all, but building that infrastructure or pathway of saying there is a place, and it is truly human, and it does have technology, and you'll upskill us, but what does that look like? A couple examples.

Kara Gustafson 00:44:59

Thank you. And I'm glad you brought in the dictionary and the encyclopedia. Because as a parent of a middle schooler and a high schooler, I gave that as a very unpopular Christmas present one year. Seeing them try to go down and alphabetize, you see how many critical skills they're actually missing because it's not intuitive to find the word in the dictionary. I have these two experiments living in my home, and then that's coupled with work. And you think about, okay, this is what is coming to work with me in about seven years. What do we really need to do here? And I think that it really is that combination of human and analog and tactile way that we engage in the world, coupled with, how do you let this moment of transformation really enable us to do things in a new and different way? And I think, as we were thinking last year, we're at a really transformational moment in society, and over 40 percent of our investments in the United States have been going to young people and families. And so, how do we really take a step back and think about—we have an opportunity right now to really think about building on all of those investments. Where do we think we can really make a difference? And those are in places, in looking at young adults and what they need. It's skills, and skills can mean many things today, too. It's the skills that you need just to thrive and succeed in your daily life. It's the digital and AI technology skills that 100 percent will need to be adopted, and think about how you bring this into whatever career path or daily life that you need. And skills to enter the workforce and different career pathways. And resilience is a huge piece of this. And I see resilience—we have a lot of investments in mental health programs and funding great organizations like the Jed Foundation and NAMI. But as I talk to more and more of our nonprofit partners, what they've really started to share is that they integrate mental health and resilience curriculum into their program, whether they're training more women to move into asset management or whether they're fellowship programs for young people. It's always a component of what they're now delivering.

And so, when we think about those things, I think resilience—the definition, I think, is starting to change as well, in terms of what are the skills that you need, because it's not just in the workplace, it's in your everyday life, too, that the world is changing around us, and we need the ability to adapt and to grow in new ways. If you're going through change management inside of your organization as you're starting to adopt AI technologies, that is a disruption in and of itself and requires all of us to come with flexibility. And so, the work that we see with investing in the next generation, we know that those investments need to be made long before they're walking through any employer's door, whether it's RBC's or Lockheed's or Empower. Those investments need to be made early on. You can't just wait until they arrive on your doorstep.

Sabrina Spitaletta 00:48:50

Thank you. And the redefining resilience of—it's just the emphasis there that nothing is static, right? It will grow. It redefines as we do, and the importance of that in terms of a reset and realigning, and I guess that goes back to also, Dr. Williams, what you were talking about when you have your stakeholders, and there's a continuous beat of in terms of how we're doing this. Are we aligned? How's it showing up? I just want to emphasize also how stress is not bad, right? We talked about that. Building resilience—all of these things, a lot of it can be good. Too much is bad, right? There's this balance, but I'm mentioning that because of that growth and the lived experience that we talk about that comes through work and purpose. And that purpose is not just getting in, but it's also staying in, and we've talked about line of sight. But I want to turn to you, Colonel, because from a military perspective, there's learnings of leaving a workforce, going into a new one, where it's not just the job, it's in the path, and it's the mentorship. And what does that look like? And the sponsorship, right? And it's understanding that I see your unique skill set. That's not different than what someone from a different background, right? Meaning it's just as important. So, I'd like all of you maybe to talk a little bit about that point where we are. Things are changing quicker. It's not, "Here, you're set now for the next five to seven years, I'll see you then," right? And then you're there, or the person's gone, you got to find someone new. It's not. Kara, you even said within a year, you're real-time doing that and for your team, right? Together. And so, what does that look like from your perspective, this mentorship, sponsorship, re-skilling in the sense at entry and then when you're there?

Jarrett Thomas 00:50:37

So, that's a great question because it impacts us on both sides of what we do at NPower. The military portion, of course—and I'll talk a little bit about that, but also our youth as well. And how we get after that at NPower is thanks to the philanthropic side because it's a nonprofit. So, organizations helping us get after that, and as a matter of fact, I see Comcast here, MotorDexter is here as well—one of our funders—to help us get after this. But I will tell you what's important as far as the training. When we're in the military, that's all we do is train, constantly train, constantly train. And so, when you do that, it gives you an opportunity to learn, become that expert in your particular field, the things that you are charged to do to fight and win our nation's wars. And that training, that mentorship, the sponsorship, all of that is necessary because you can't do it on your own. There's only so much that you can do as an individual without that guidance, without someone kind of pulling you along with them, to say, "Hey, here's what right looks like," without having to fumble through everything. So, that one piece is critically important. I apply that also to the youth. Kara and I, yesterday, had a conversation. I've got two sons, one that's a 27-year-old. He's an architect in New York City. Lives in a really tiny apartment in Chelsea, but he's doing well. He's working for a very successful architectural firm there. And then my youngest son is 23, who is about to graduate in December and go into journalism, go get his graduate degree, and move on from there. Not all youth have

those opportunities that my children currently have. And that's not through me, that's through my spouse who did all the hard work. But because not everyone has that initial opportunity, programs like NPower and programs that you all represent help those youth get that leg up as they move forward. Gives them an opportunity to have that mentorship, have the sponsorship, have people to show them, "Hey, here's a path for workforce development, career development, to figure out what you want to do when you grow up." And programs like that give you opportunities, and those opportunities blossom into successful human beings. And we all know in our society, and we've talked about it, we can't leave anybody behind. The youth in our society, that's our future. They're the ones that are going to get us through future difficulties that we have to experience. And if we don't prepare them for that, that's a failure on our part, but it hurts our nation across the board. So, we need to make sure that we're pouring into them, we're making sure that we give our youth all opportunities that they have available. We also give them a dictionary, an encyclopedia. I don't think that was ever a great Christmas gift. I'm just saying.

Kara Gustafson 00:54:12

Fair enough.

Jarrett Thomas 00:54:14

But it is necessary because in order to prepare them for the future, they need to be able to walk through that space. So, a great question.

Sabrina Spitaletta 00:54:24

With that, you're emphasizing also partnerships through organizations like yours, not just in the organizations, right? So, you want sponsorship and mentorship in the organization, how to find it, but it's also encouraging to hear and for us to emphasize it should be happening outside as well on how to find it. To emphasize, when we talk about this employer role, the employer has been serving community by providing jobs. This is a collective, right? Innovating, providing benefits after certain times, especially in the US, meaning health care. There's ways to advance that, and competitive edge. But as we close out, there's two things I want our panelists to comment on, to leave you all with in terms of, one, the competitive edge now, as we mentioned at the start, is the culture and how you're treating people, the little things and the big things, but it's the everyday. It's the signals of who's left in, who's left out. It's what's rewarded. Like how does culture show up? What does that look like? Some thoughts on that in terms of where the employer is. And the other piece, if there's time to mention and work in your remarks, is how do we reset what good is? How do we break through what status quo, what we've been doing, and look at—reset what that baseline is of what we want to achieve. Because as we talked about how resilience isn't static, neither should be our standards and what we expect in terms of how we treat each other, how we perform, how we show up, what we should expect in terms of the health, right? Because then performance will just fly if we're able to do that, master that. So, Kara, I'll start with you in terms of just culture reflection there, and then we could keep going, and if there's time, work in that measurement. Thank you.

Kara Gustafson 00:56:13

Well, this is embedded in RBC's mission and culture to help our clients thrive and communities prosper. So, it is lived out literally every single day. And I think one of the interesting things that comes out in our annual report is we have a season called Celebration of Impact, but it's really looking at our employees' participation throughout the year. And last year, our employees donated 33.6 million Canadian of their

own dollars to nonprofit organizations to support in their communities. We had almost 400,000 hours of volunteer service. And this is not just, as you called it, a fluffy topic. This is an initiative that is driven from the top down of our organization. We have the heads of our businesses driving this down into their culture, bringing their people along to go volunteer as teams, whether it's serving food at the Ronald McDonald House or whether it's doing a skills-based volunteer project or working with young people on financial literacy trainings through our Dollars + Sense program. This is happening throughout the year, and I think when you see it all aggregated in those numbers at the end, our employees want to be participating in communities, and we give them an opportunity to be able to do that and sit side by side with those employees. And at an AI workshop that we hosted a year ago to help our nonprofit partners think about how can you be more resilient, whether in your own operations or the communities you're serving right now, they sat down next to our engineers and had real skills, like expertise, helping them to tackle a problem. And one year later, that skills-based project has turned into—One of those nonprofit partners just secured a multimillion-dollar gift. The other led to a huge partnership with us. And so, I think employees crave all of those little moments and also those big pieces as well.

Sabrina Spitaletta 00:58:22

And then you have transparency to let them see that that happened—

Kara Gustafson 00:58:26

Yes.

Sabrina Spitaletta 00:58:26

—which makes a huge difference. Great examples. Thank you. Colonel Thomas, and then Dr. Williams. Reflections on culture or measurement.

Jarrett Thomas 00:58:33

Yes, I'll be brief on that. I think where you need to focus is where your values lie, right? So, in order to figure out if you are doing the best you can for the individuals that you service, you need to make sure those values are straight. And make sure that the values are consistent with what makes our nation the envy of the world, and don't lose track of that. I think as far as what determines what is best and move forward, that's all relative, I think. I think that changes with time, with the advent of AI and the different things that are going to come up. But I think a values-based organization and people that keep that straight, I think will make our country successful.

Sabrina Spitaletta 00:59:17

Thank you. All right. Dr. Williams.

Charles Williams 00:59:18

So, just quickly, two things. Remember, employees don't leave bad companies, they leave bad managers. So, the value, the culture, focus on your mid-level and your upper-level management, and they're the ones

that are going to be driving the culture in your organization. People don't leave bad companies, they leave bad managers. The other thing is remember, less than 18 percent of companies offer a pension any longer, right? Pensions used to be the hook where you had your 30-, your 40-, your 50-year employees and so forth. 41 percent of our population have been in our organization zero to five years at Lockheed Martin. So, the employees of tomorrow are the youth of today. And so, it is absolutely important for your company to invest, not just philanthropically, as a business imperative on your communities, and the communities where your companies exist, because that's going to be a huge draw for where you get your population. And remember, just a little tidbit, ages the sixth, seventh, and eighth grade is your target population. Why? Because neurons haven't fused far enough before that time for them to understand exactly what it is you're talking about, and by the time they get to be teenagers, you've lost them for four to five years, right? So, the reality is, is develop programs that help to educate our youth, our very young, on what is it you do, and what is the value of working, and what does resilience mean, and those types of things from your company's perspective. And as that child grows up to be a young adult, they will remember your company, and they will come back to you.

Sabrina Spitaletta 01:01:00

Thank you.

Kara Gustafson 01:01:00

If I could just add one last thing to that?

Sabrina Spitaletta 01:01:02

Please, yeah.

Kara Gustafson 01:01:03

I think you asked for a call to action, something that I've really been thinking a lot about too and would encourage everyone—we all work at companies and have the ability to invite anyone to any table that you want. Invite young people to those tables, because this can't just be generations above opining on what they may need. Because truly, they have grown up in different ways. They come at the world with a different perspective. They have different ideas about technology and humanity. And so really, I would encourage everyone to invite those young people to your conversations, because I think that you, by being more proximate to thinking about how we're investing in this next generation who's coming into our companies, hearing from them directly, I always find you go talk to the customer. You don't sit there and do the research behind, but really invite them to your table.

Sabrina Spitaletta 01:02:01

Thank you. Thank you all for your time, your expertise, and with that, that involvement builds commitment, right? And so, we're going to change, raise that bar in terms of higher-level health and performance, not just getting by. We're going to reset that status quo. Thank you again. Thank you, everyone. Thank you.

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