

BILLION DOLLAR BLIND\$POT

What is Your Workplace Culture Costing You?



INTRODUCTION SNEAK PEEK

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The cost of silence is often far greater than the cost of speaking up.

—Malala Yousafzai

In the bustling corridors of corporate power, where the rhythm of productivity echoes against the walls of ambition lies a silent yet formidable foe: poor workplace culture. It's a phenomenon that infiltrates the fabric of far too many organizations, silently eroding productivity, sapping employee morale, and draining financial resources. Leaders tend to focus on the big picture. As a result, we often overlook the profound impact of toxic work environments, dismissing them as mere inconveniences in the pursuit of profit. However, the truth is far more sobering.

Poor workplace culture has a staggering economic toll. It leads to disengagement, increased turnover, and health-related issues, all of which impact how businesses operate. According to the State of the Global Workplace: 2023 Report by Gallup, disengaged employees alone cost the U.S. economy an estimated \$450-\$550 billion annually in lost productivity. This loss is not merely a number; it is a reflection of squandered human potential, deferred dreams, and unfulfilled aspirations.

Beyond Blue, an Australian mental health organization, has helped further identify the profound repercussions of workplace-related mental health issues resulting from poor workplace culture. Their research estimates that untreated mental health conditions exact a toll of around \$10.9 billion annually on Australian employers. This is an economic burden that manifests through various channels, including absenteeism, diminished productivity, and increased compensation claims. With these kinds of numbers, it's clear that workplace culture is not just an inconvenient secondary consideration. Organizations and leaders need to prioritize workplace culture initiatives to foster a healthier, more empowering and productive workforce if they want to mitigate these costs.

It's not just a question of increasing efficiency. Stress, burnout, and other mental health issues have become destructively persistent in workplace environments rife with toxicity and fear. The consequences extend far beyond the individual, permeating the organizational ecosystem and manifesting in increased healthcare costs, absenteeism, and decreased productivity, all of which are detrimental to society's corporate bottom line and psychological well-being.

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Furthermore, the revolving door of turnover exacts a toll on organizations, both financially and operationally. The costs associated with continually recruiting, onboarding, and training new employees add up quickly, draining resources that could otherwise be allocated to innovation and growth. Moreover, when valuable talent leaves, it disrupts team dynamics, diminishes institutional knowledge, and undermines organizational stability. Let's stop burying our heads in the sand and face facts: as leaders, we are being faced with a significant issue that costs us billions. This demands our immediate attention.

The relentless pursuit of profitability and market dominance means that we often overlook a critical driver of success: diversity and inclusion. McKinsey's seminal reports, *Diversity Wins* and *Diversity Matters*, provide compelling evidence of the profound impact that diverse executive teams and inclusive cultures can have on financial performance. Nevertheless, diversity and inclusion alone are not enough—they're only part of the picture. To unlock their full potential, organizations must foster an environment where diversity, inclusion, and belonging can truly thrive. This requires creating workplaces that prioritize the psychological well-being of all employees, ensuring that individuals feel valued, respected, and empowered to contribute authentically. In other words, it's not enough to make superficial changes. We need to shift the workplace culture overall.

If you think this is a big ask, you're right. But addressing the toxic cultures that persist in many corporations is not just a moral imperative; it's a business necessity. Without action, these cultures undermine the very foundations of collaboration, innovation, and engagement. Organizations which waste time and energy fighting themselves, which don't enable their employees to thrive and do their best, are not organizations that succeed. Leaders must take bold steps to dismantle the barriers that perpetuate exclusion and fear, replacing them with cultures of respect, psychological safety, and genuine inclusion. Only then can they realize the transformative power of their people and drive meaningful, sustainable success.

Consider the stark contrast in outcomes between companies which prioritize gender and racial diversity at the executive level and those that don't. According to McKinsey's research, companies with gender-diverse executive teams are 25% more likely to achieve above-average profitability. Similarly, organizations with diverse racial and ethnic representation are 35% more likely to outperform their industry peers financially. Is anything else in your strategic toolbox likely to give similar results?

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When individuals from different backgrounds, experiences, and perspectives come together in an organizational culture that empowers their voices, they bring a wealth of ideas, insights, and approaches to problem-solving. This diversity of thought fuels innovation, drives creativity, and enhances a company's ability to adapt and thrive in an ever-evolving marketplace.

However, despite the clear business case for positive workplace cultures, diversity and inclusion are something many organizations continue to grapple with. Attitudes can be hard to change, and barriers such as unconscious biases and entrenched norms continue to hinder progress. But the costs stemming from inaction are significant, both in terms of missed opportunities and tangible financial losses.

We must first acknowledge the true cost of poor workplace culture, both in dollars and cents and in the human toll it exacts. Only then can we begin to cultivate a new paradigm of leadership, one rooted in empathy, inclusivity, and resilience. Investing in employee engagement, nurturing supportive leadership, and prioritizing a culture of well-being can pave the way for a brighter, more prosperous future where organizations thrive and individuals flourish.

True Inclusion

When anyone talks about fixing toxic corporate culture, many leaders stop listening, because all too often the word “toxic” is followed by “masculinity,” along with an initiative which largely involves criticizing masculine behaviors. It's true that many aspects of traditional workplaces are built around male-oriented expectations, and women certainly do face challenges in these environments. But the truth is that men suffer from these expectations and norms as well. What I've come to realize is that true reform involves not a focus on what's wrong, but on better understanding and using the unique strengths that everyone has.

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For me, this understanding comes from a place of both empathy and personal experience. As a woman, I've spent much of my career in male-dominated environments, where I often felt compelled to think and act through a traditionally masculine lens. A near-death accident forced me to rebuild my body, mind, and soul, plunging me into a journey of profound self-discovery and transformation. Along this arduous path, I came face-to-face with the suffocating weight of societal expectations and the confining cages that society constructs—not only for men but for women, too.

It was a moment that forever changed the trajectory of my life—a harrowing brush with mortality that thrust me into the University of Hard Knocks. In the aftermath of a near-fatal accident, I found myself grappling not only with physical pain, but also with profound existential questions about the nature of resilience, purpose, and human potential.

I discovered the transformative power of positive psychology amidst the darkness of uncertainty—a beacon of hope that illuminated my path forward.

Through the lens of adversity, I understood that true strength does not lie in the absence of challenges; rather true strength comes from our ability to navigate our challenges with resilience, optimism, and unwavering determination. My journey of healing and self-discovery led me to embrace the principles we explore in this book as we seek to uncover the factors that contribute to humanity's flourishing and well-being. Through a questioning mindset, I began to see the untapped potential within individuals and organizations to create positive change, even in the face of adversity.

Positive psychology focuses on what's called the PERMA framework - Positive Emotions, Engagement, Relationships, Meaning, and Accomplishment. It has widespread applications in leadership, organizational behavior, and workplace culture. I witnessed firsthand the profound impact that a 'strengths-based' approach, grounded in empathy, authenticity, and a growth mindset, can have on individual performance, team dynamics, and organizational success. This realization inspired me to dedicate my life's work to helping leaders harness the power of positive psychology to create thriving, inclusive, and resilient organizations.

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In the following pages, we will explore the principles of positive psychology and their practical applications in driving organizational change. From cultivating a culture of gratitude and resilience, to fostering authentic connections and meaningful engagement, we will uncover the key ingredients for building workplaces where individuals can truly thrive. And I'll share with you my own approach, derived from the PERMA framework and intended as a roadmap for leaders like us: the **Respect Equality Model (REM)**.

REM is the belief that everyone, regardless of gender or background, deserves equal respect and opportunities. This approach fosters an environment where people can learn from one another, appreciating and integrating the strengths of those different from themselves. Respect and empathy are more than passive ideals—they are active choices. To build these cultures, we must first reject the outdated roles and practices that society has imposed on us. Remember that leadership is not about following a prescribed path, but forging your own.

Be the Hero of Your Leadership Journey

Leadership is not a hand-me-down suit that you're forced to wear. It's a role you create, define, and embody authentically. And to lead authentically, you must step into the role of the hero in your own leadership journey. This means waking up to the invisible structures that shape your decisions and questioning whether they align with who you are and what you want to achieve. It means empowering yourself to challenge the status quo and embracing your unique values and vision. It means not just paying lip service to ideas of diversity, but understanding what that means, and stepping up to take charge constructively.

In this book, we'll start with an examination of workplace dynamics, including both masculine and feminine mindsets, strengths, and weaknesses. We'll see how gender roles have been used to shape workplace culture and why. In doing so, we'll uncover how to consciously use and combine the best of each to create an effective workplace culture.

Then we'll explore Positive Psychology and the Respect Equality Model. We'll look at what the PERMA framework entails, how I came to develop REE, and why. After that, we'll look at specific ways you can use these tools in your own organization, transforming not just labels and rules but mindsets in a way that will lead to a more productive and sustainable work environment—one that your employees will succeed in, not just endure.

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The courage to break free from outdated practices is not just an act of self-liberation but a commitment to building workplaces where respect, inclusion, and empowerment flourish. This book is your guide to that transformation, equipping you with the tools and insights to question the world as it is and create the world as it could be.

I invite you to join me in this exploration as we apply the principles of positive psychology to personal stories and the fabric of our workplaces. Together, we'll venture towards creating respectful, resilient, inclusive environments, proving that true leadership is about leading courageously against the odds and breaking free from stereotype-induced suffering - lighting the way for future generations to live in a world brimming with equality, confidence, and boundless opportunity. I'll show you how to turn that billion-dollar workplace culture issue into a billion-dollar opportunity by improving engagement, reducing turnover, and driving sustainable organizational success.

Let's get started!

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