

# IASSM CONFERENCE MALAHIDE, CO. DUBLIN



## Beyond Employee Engagement - Creating a Great Place to Work®

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Great Place to Work® Institute  
2<sup>nd</sup> November 2007



# My Objectives for Today

1. Explain the essential elements of a Great Place to Work - and why you should bother
3. Help you to recognise that great workplaces realise dramatic business benefits
5. Overall.....Inspire you to action!



# What are we going to talk about?

- A (short) history lesson
- The Great Place to Work® Institute
- What is a Great Place to Work®
- The Business Case
- The 'Must haves' in a Great Place to Work®
- Tips for creating a Great Workplace
- Four Essential Takeaways
- Your Questions & Concerns





## A Short History Lesson!



# A Brief History of Quality



**Early 14<sup>th</sup>  
Century**

Trade Unions

Flawless Goods earned  
Quality Symbol

2<sup>nd</sup> Mark = Craftsman's  
Reputation

**The  
Industrial  
Revolution  
1800's**

Craftsmanship :

Personal stake in  
quality of goods

The Factory System :

Craftsmen= Factory  
Workers

Shop Owners =  
Production Supervisors



**1941**

**Pearl  
Harbour**

Quality became a Life or  
Death Matter!

SQC : Focus on Processes

Half-hearted embrace!

Start of the decline in  
employees' sense of  
empowerment and autonomy in  
the workplace





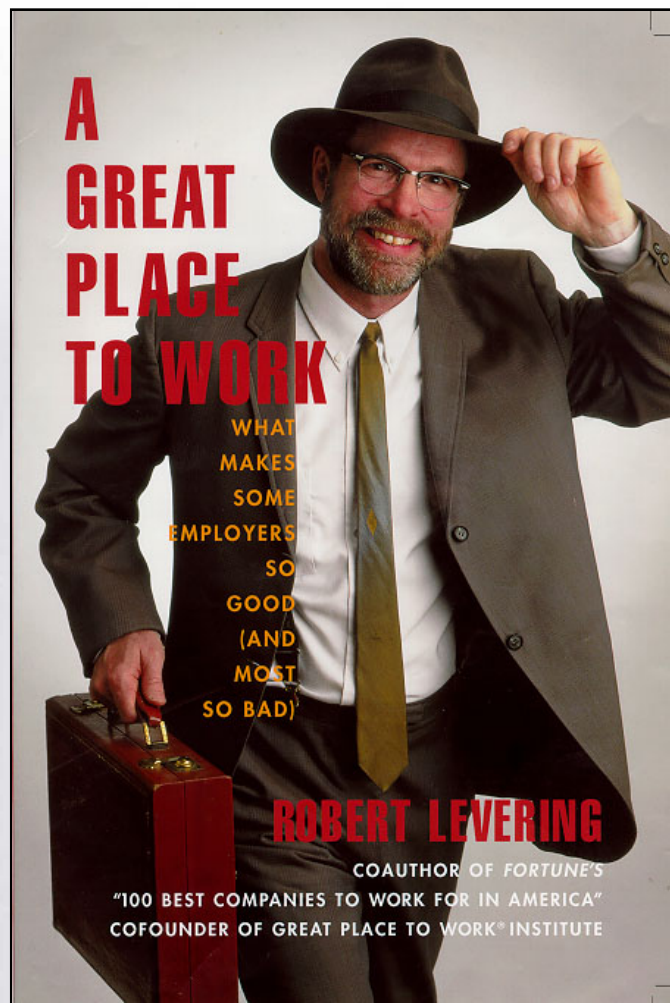
# A Brief History of Quality



# A Brief History of Trust



Since we started in 1991, the Institute now has offices in 30 countries worldwide - with plans to open in a further 11 countries by 2008



## The GPTW Institute





# We're famous for our Lists...



## ...but there's more to us than that!

- We are experts on **Trust** - the key to building sustainable business advantage
- We are an **Organisational Development** Consultancy, helping our clients to create High Trust Organisations
- We achieve this through
  - Research
  - Measurement / Lists
  - Consulting
  - Training
  - Bringing People Together
  - Education & Sharing of Best Practice



# Our 'Best Companies' Studies

- The World's Largest Annual Labour Force Survey
  - 3,400 Organisations
  - 1,200,000 Employee surveys
  - 10,000,000 Employees represented
- 32 National Lists
  - Fortune 100 Best Companies to Work for
  - Financial Times 50 Best Workplaces
- 3 Regional Lists
  - 100 Best Europe, USA, South America
- 1 Global List
  - The Best Companies to Work for in the World (2009)



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# CEOs consider FORTUNE'S Best Company List the most influential media scorecard

PR Week Annual CEO Survey 2006

<i>Fortune</i> 100 Best Companies to Work for	1
<i>Fortune</i> Most Admired Companies	2
<i>The Financial Times</i> Worlds Most Respected Companies	3
<i>Fortune</i> 25 Most Powerful People in Business	4
<i>The Wall Street Journal</i> Shareholder Scoreboard	5

Q: In your opinion, which of the following media scorecards are extremely or very influential? (Responses ranked in order)





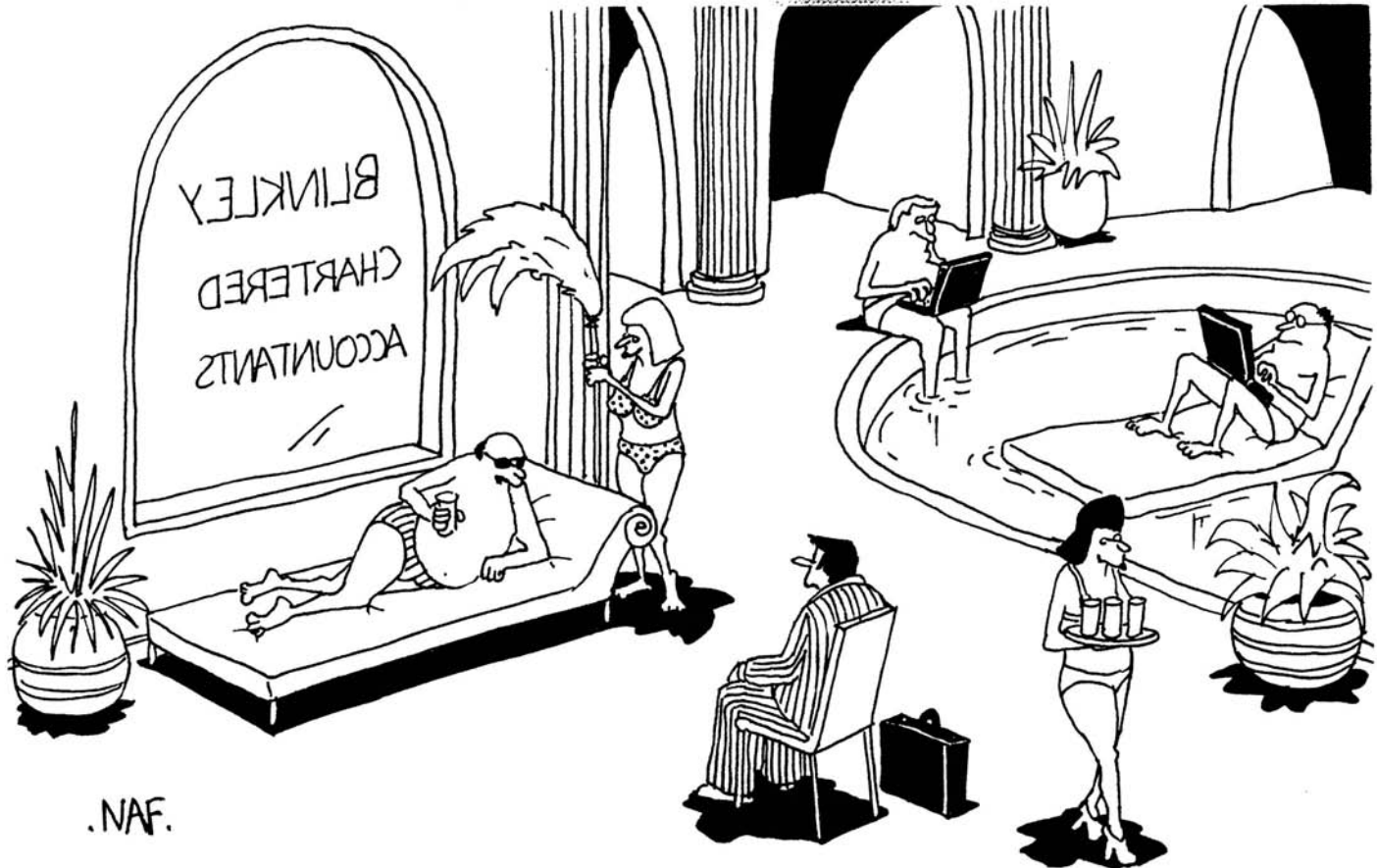


What is a 'Great Place to Work®'?





# So what is a Great Place to Work®?



"What made you want to apply to this accountancy firm in particular?"

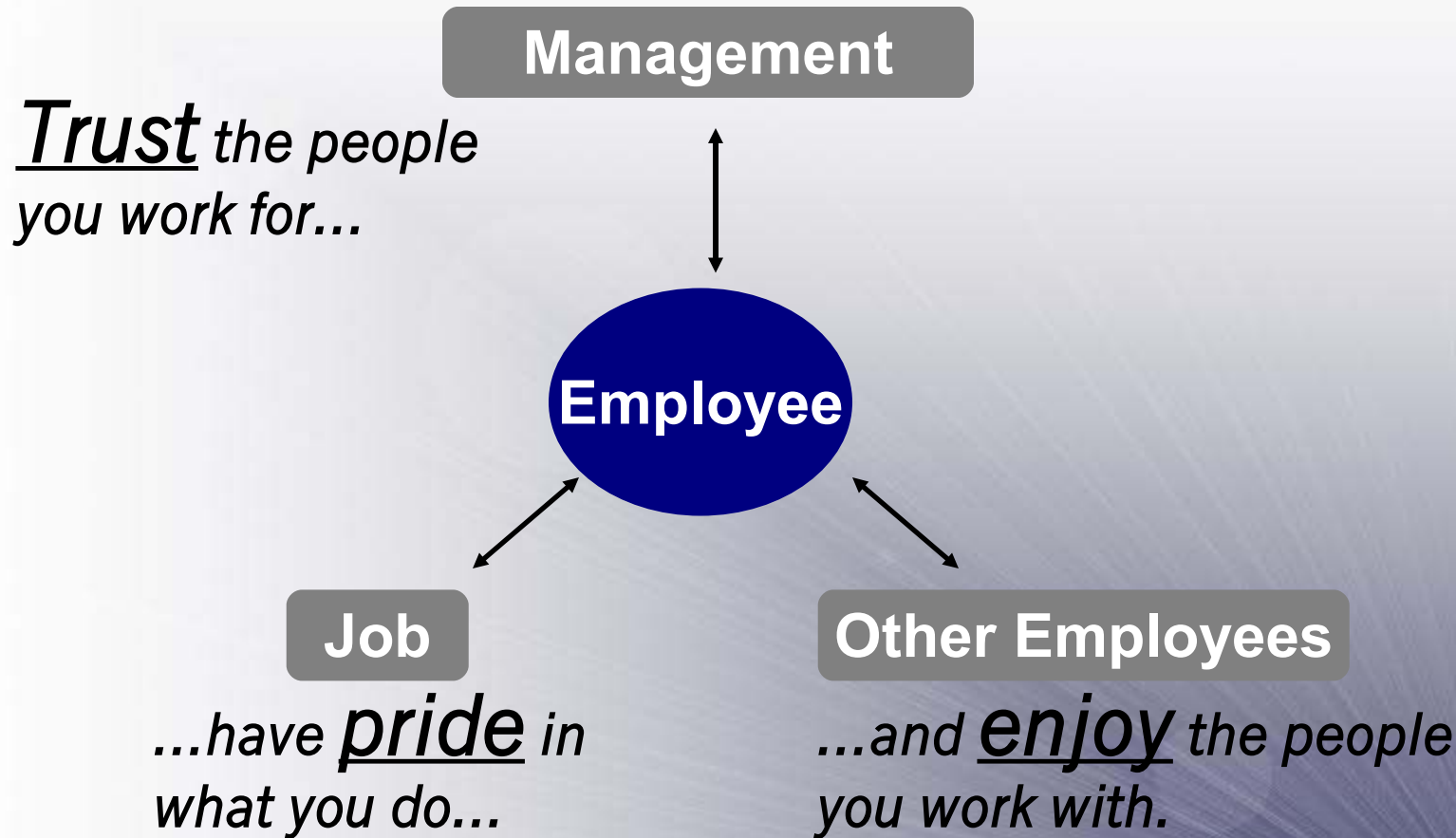


# What makes a 'Great Place to Work®'?

- It's **not** about the perks!
  - 'Why' you do it is more important than 'What' you do!



# Three Key Relationships define a Great Workplace



**Relationships are the Key!**

A Great Place to Work® is one where you...

Trust the people you work for,

Have Pride in what you do,

And Enjoy the people you work with



3

The key defining characteristic is...

**TRUST**







3

Answer 'Yes' to three Simple Questions...and  
you've got a Great Place to Work®!

- Do I trust the people I work for?
- Do I take pride in what I do?
- Do I enjoy the people I work with?



## Top Drivers for creating a GPTW



1	Business Success	17%
2	Improve Employee Retention	16%
3	Improve Morale	14%
4	Customer Service / Retention	13%
5	Enhance Reputation	12%
6	Aid Recruitment	10%
7	Foster Innovation	9%
8	Corporate Social Responsibility	5%



## The Business Case for a Great Place to Work®



# “The Business Case”

**The Best Workplaces attract and retain the Best People.**

**And because they have the Best People,  
they achieve the Best Business Results!**



## Great Workplaces enjoy many benefits...

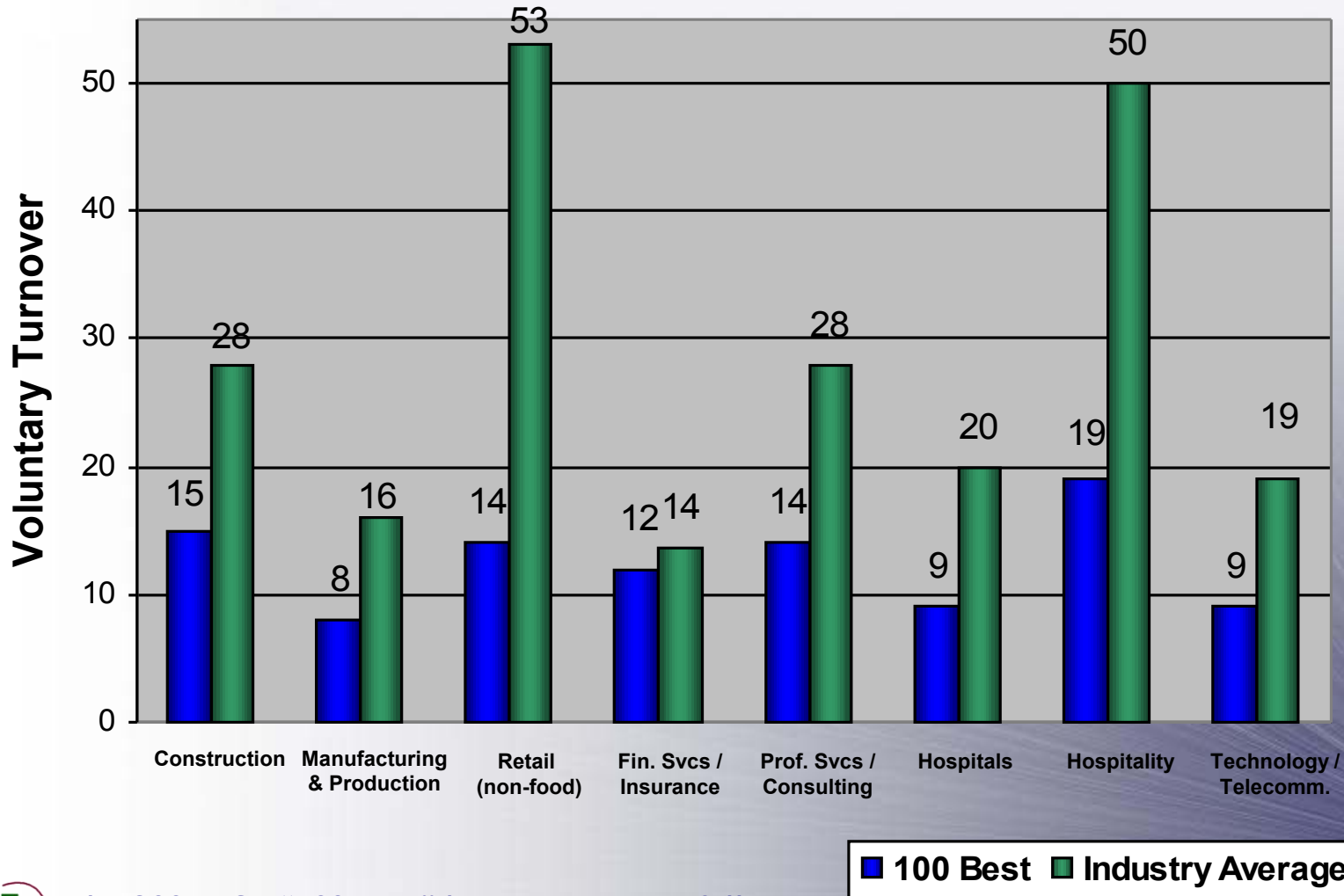
- More and better qualified **job applications**
- Lower level of **employee turnover**
- Reductions in costs of hiring & training
- Higher **customer satisfaction** and loyalty
- Higher **productivity and profitability**
- Enjoy an enhanced reputation as an organisation that **can** be trusted to '**do the right things**'





# Voluntary Turnover : 2006

## USA “100 Best” vs. Industry Average



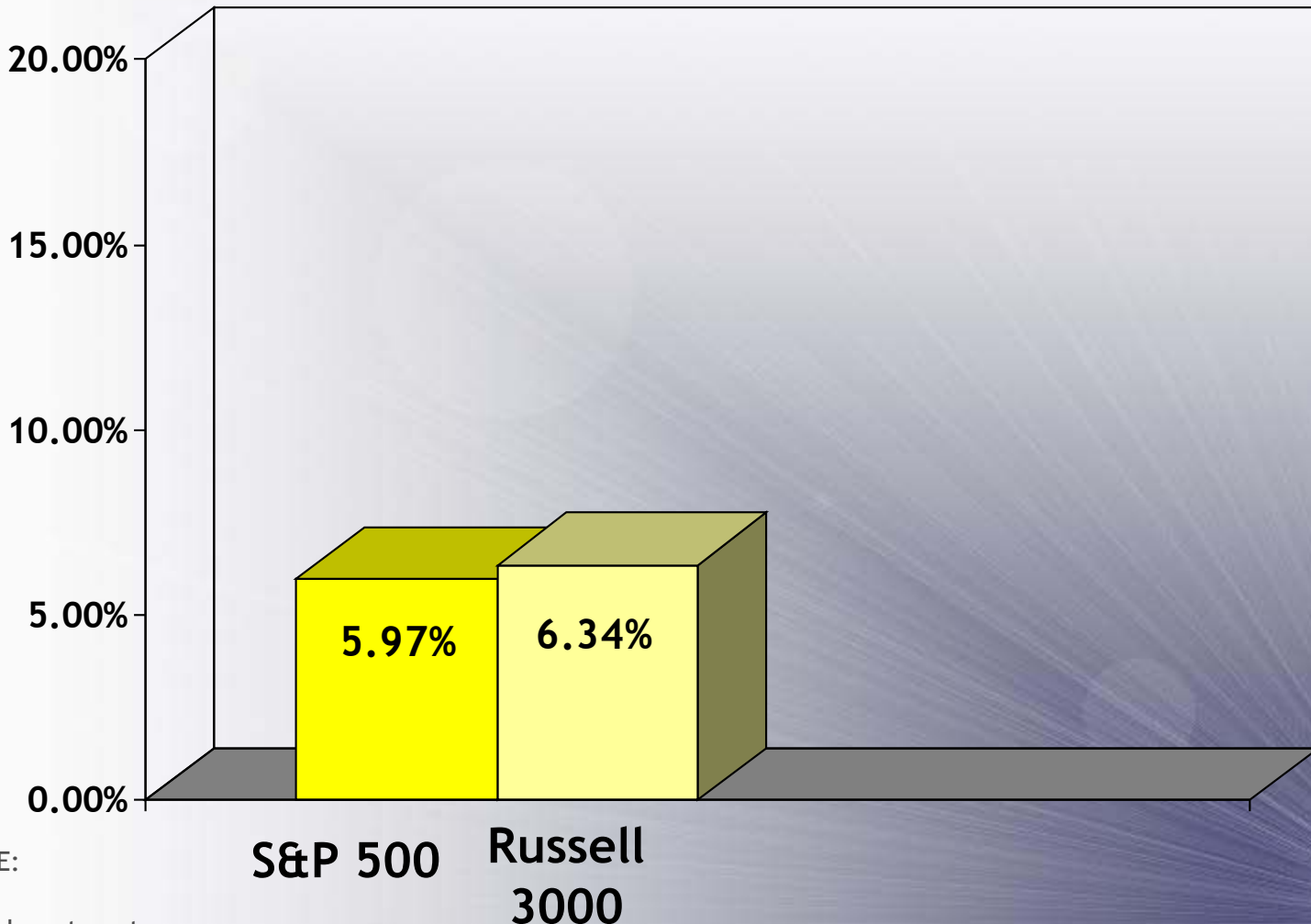
VOLUNTARY  
TURNOVER  
CALCULATION:

Number of full  
time voluntary  
separations  
during 2006  
(excluding  
retirements)  
divided by the  
number of full  
time employees.  
US 100 Best



The 2007 USA “100 Best” have an average full-time voluntary turnover rate of 12%.

## “Fortune 100 Best” vs US Stock Market 1998 to 2006 Annual Return



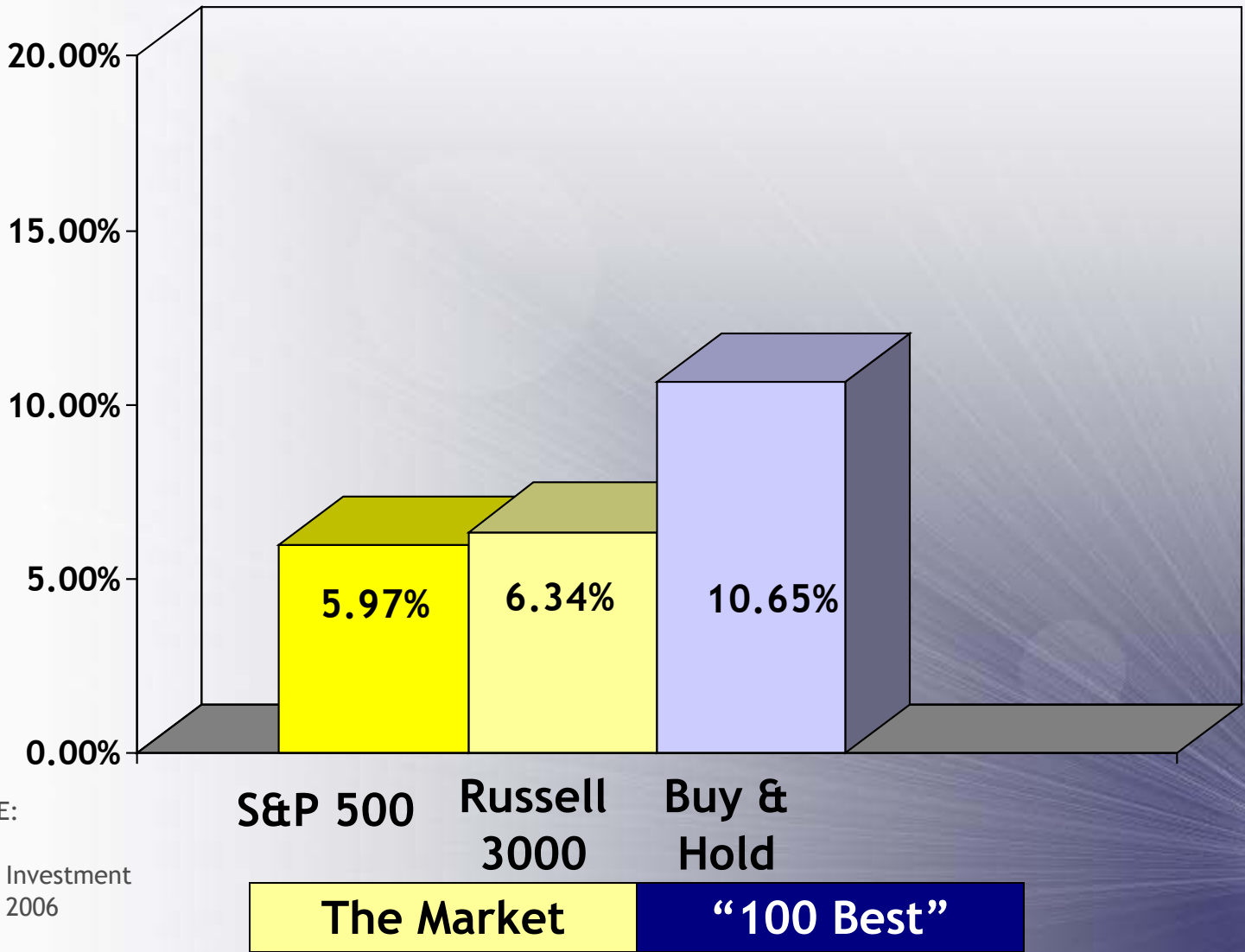
SOURCE:

Russell Investment  
Group, 2006

**S&P 500**   **Russell  
3000**

**The Market**

# “Fortune 100 Best” vs US Stock Market 1998 to 2006 Annual Return

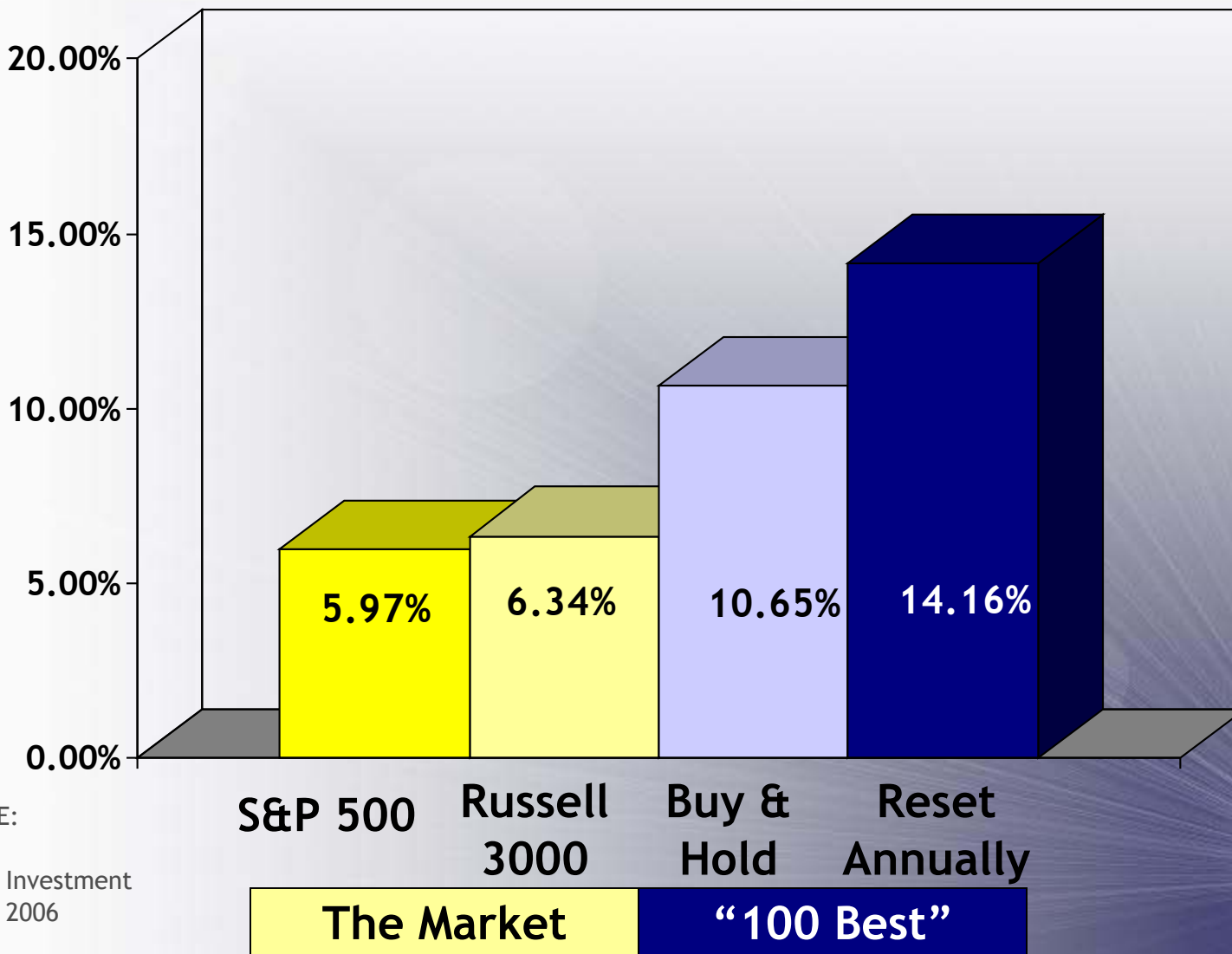


SOURCE:

Russell Investment Group, 2006



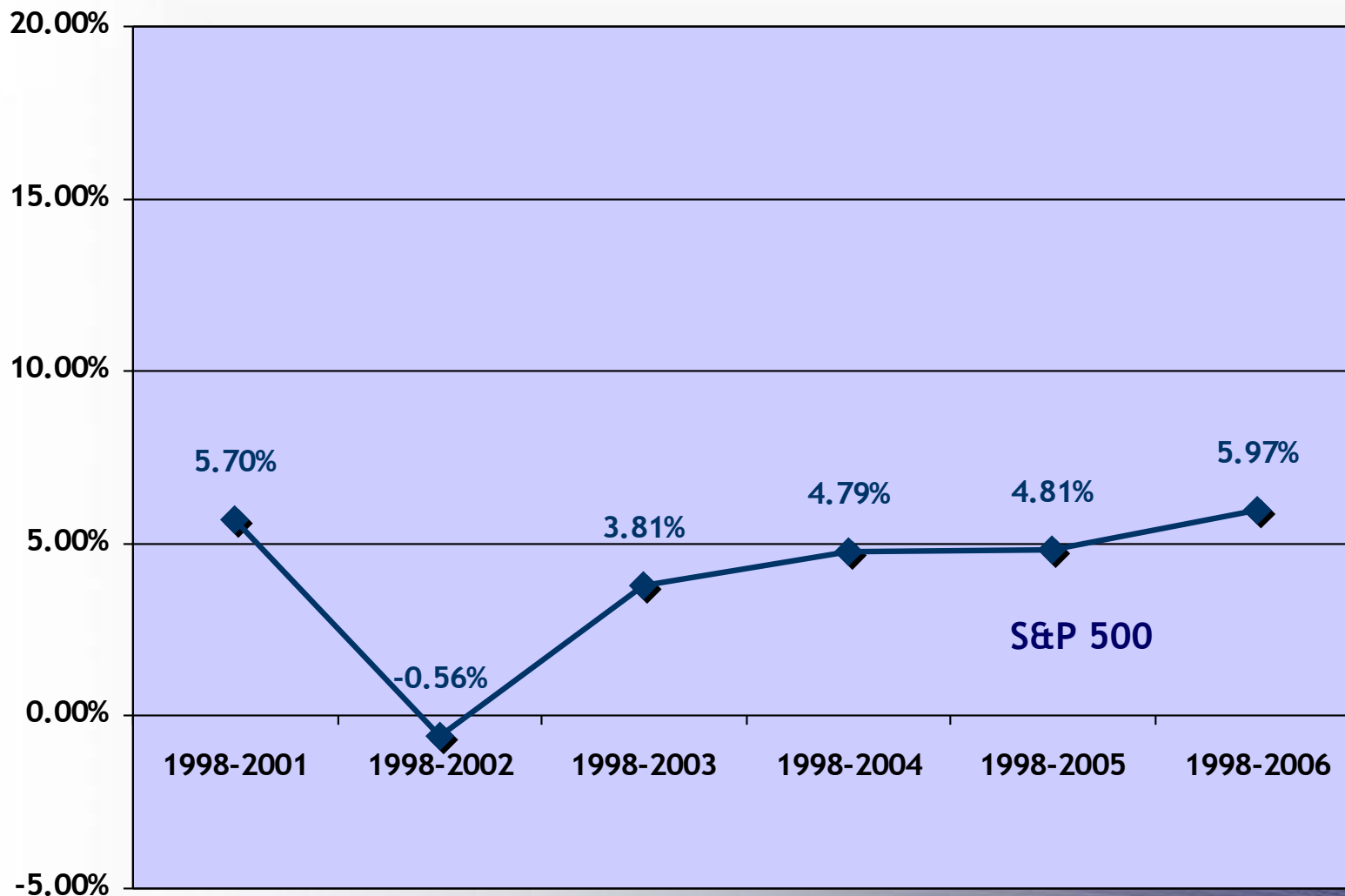
## “Fortune 100 Best” vs US Stock Market 1998 to 2006 Annual Return



SOURCE:

Russell Investment  
Group, 2006

# “US 100 Best” vs. Stock Market Historical Annualized Returns

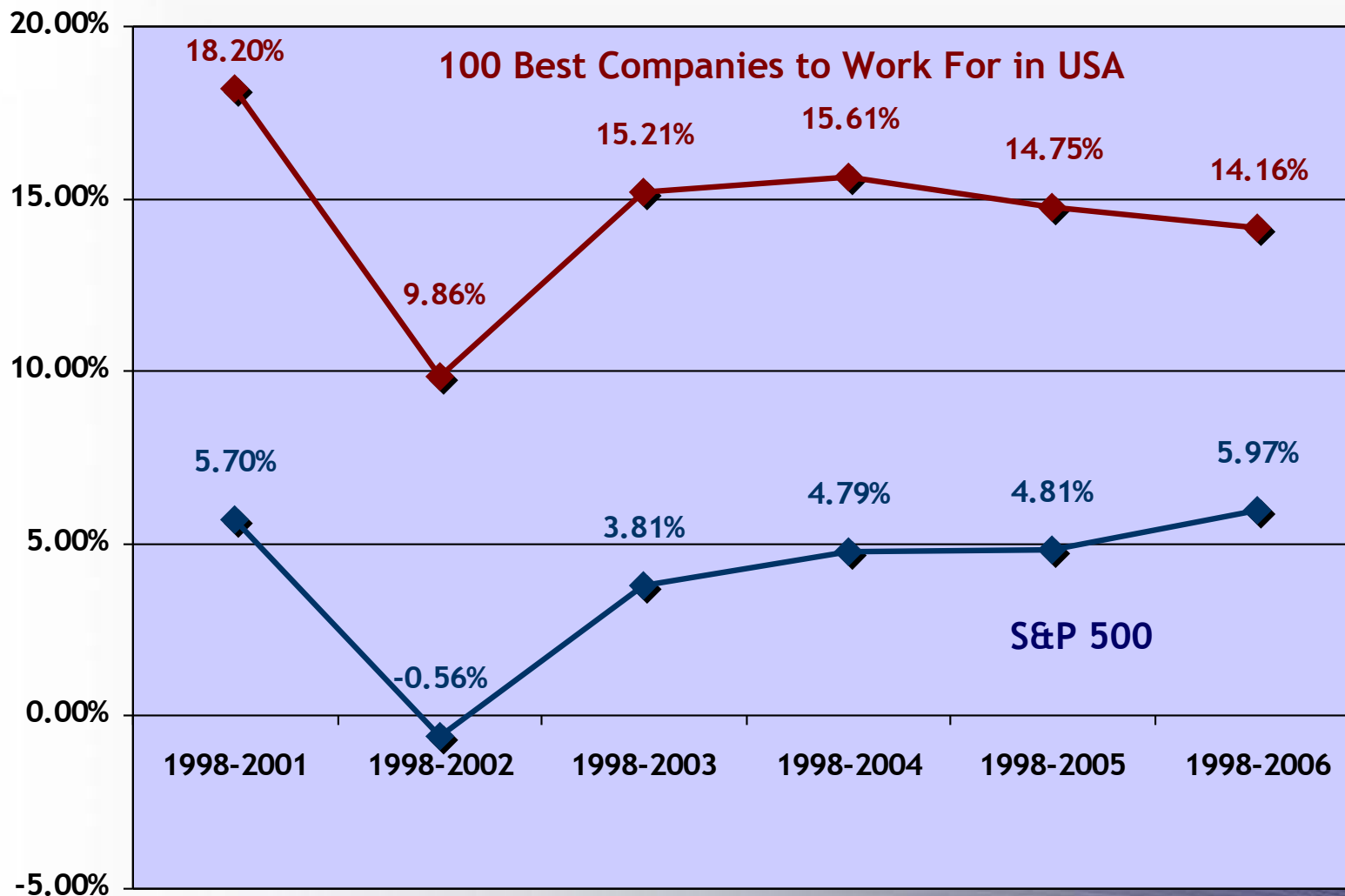


SOURCE:

Russell Investment Group, 2002-2006



# “US 100 Best” vs. Stock Market Historical Annualized Returns

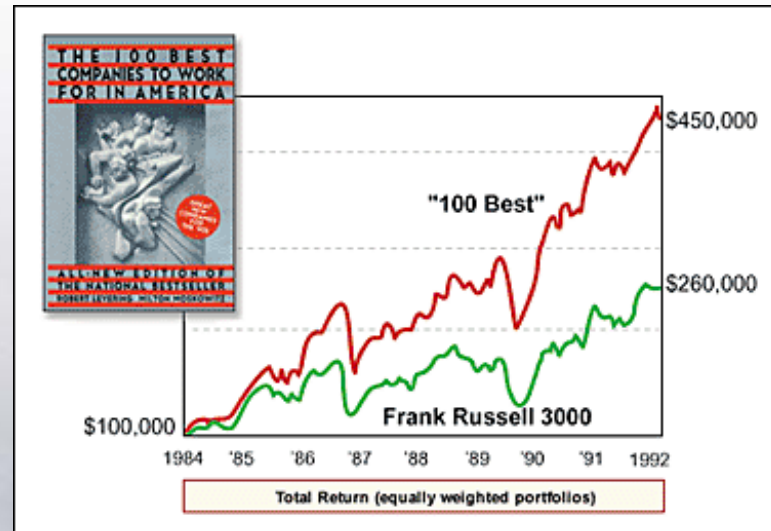
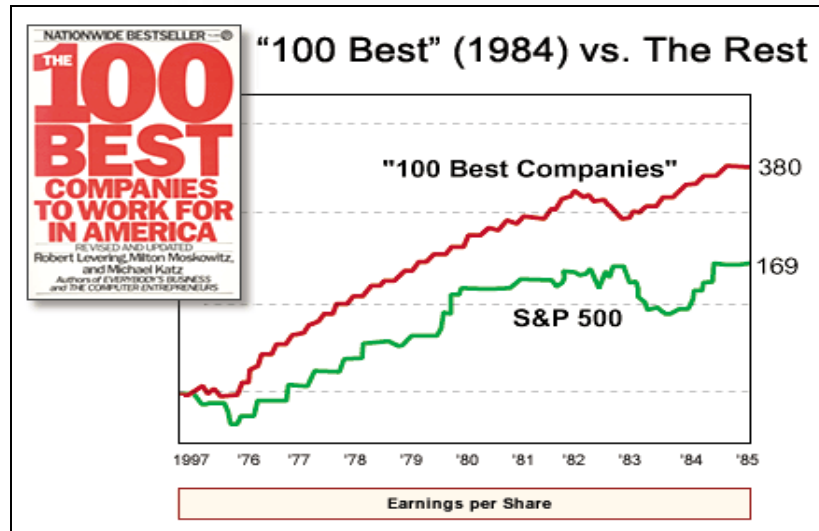


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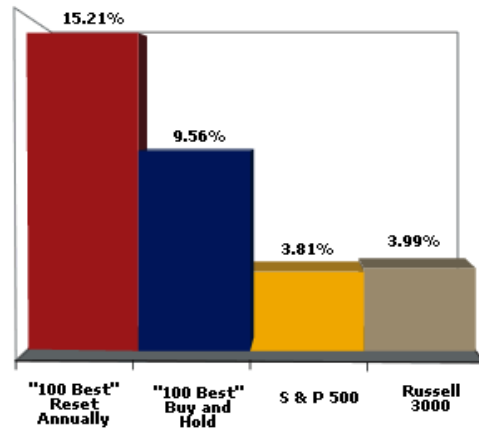
Russell Investment Group, 2002-2006

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# The Best consistently out-perform The Rest!

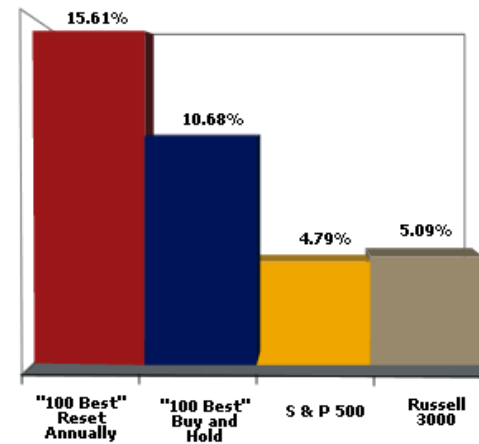


Fortune "100 Best" vs Stock Market 1998-2003



1998 to 2003

Fortune "100 Best" vs Stock Market 1998-2004



1998 to 2004

## ‘Profit’ has many faces....

- Top 100 Hospitals in USA
  - Attract more complicated cases
  - Average Stay = 5 days vs 5.8 days
    - 16% Greater Capacity
  - Average Staff Costs \$1500 higher
  - 122,000 Patients would survive!



Working to create a  
Great Place to Work<sup>®</sup>  
is an **essential business strategy**

- Because the Best Workplaces are consistently more productive and profitable than their peers
- **Not because ‘it’s nice to be nice’**



Is there a choice?

**In the short-term, Yes....**

**Most Organisations don't 'get it' yet!**

**But long-term, it's about survival...**

**In 5 to 10 years, Great Workplaces will be as mainstream as Quality Management Systems are today**





Neither HR nor Senior Management can  
create a Great Place to Work® on their own

But you can....



- Create an environment which allows a Great Place to Work® to develop
  - Play your part
  - Create a Bad Place to Work

*If neither HR nor Senior Management can  
create a Great Place to Work® on their own*

-

*Who Can?*

- **EVERYONE CAN!**
- **AND EVERYONE MUST!**



**Credibility**

**Respect**

**Fairness**

**Pride**

**Camaraderie**

**The Must Haves**



Real World

# The 'Great Place to Work' Model®

Trust the people  
you work for...

...have pride in  
what you do...

	<b>Credibility</b>	Two-way Communication Competence Integrity
	<b>Respect</b>	Professional Support Collaboration Caring
	<b>Fairness</b>	Equity Impartiality Justice
	<b>Pride</b>	Job Team Organisation
	<b>Camaraderie</b>	Individuality Welcoming Atmosphere "Family" Feeling

...and enjoy the  
people you work with.





The extent to which employees see management as credible (believable, trustworthy) by examining employees' perceptions of management's communication practices, competence and integrity.

## Credibility

### Communication

- Informative
- Accessible

### Competence

- Coordination
- Oversight
- Set Vision

### Integrity

- Reliable
- Honest

Communication • Management Competence • Integrity







## How Europe's Best Measure Up...

1	Management is competent at running the business	89%
2	People are given a lot of responsibility	88%
3	Management has a clear idea of where the company is going - and how to get there	87%
4	Management trusts them to do a good job without looking over their shoulders	85%
5	Management is approachable and easy to talk to	85%



## Respect



The extent to which employees *feel respected* by management, by assessing the levels of support, collaboration and caring that employees see expressed through management's actions toward them.

### Respect

#### Support

- Professional Worth
- Individual Effort

#### Collaboration

- Suggestions & Decisions

#### Caring

- Work Environment
- Personal Life

Support • Collaboration • Caring





## How Europe's Best Measure Up...

1	This is a physically safe place to work	95%
2	I am given the resources and equipment to do my job properly	89%
3	I am offered training or development to further myself professionally	86%
4	I am able to take time off work when they I think its necessary	85%



The extent to which employees *feel* that management practices are fair, by assessing the equity, impartiality, and justice that employees perceive in the workplace.

## Fairness

Equity

Impartiality

Justice

Equity • Impartiality • Justice



## How Europe's Best Measure Up...

1	People are treated fairly regardless of race?	95%
2	People are treated fairly regardless of sexual orientation?	94%
3	People are treated fairly regardless of their age?	93%
4	People are treated as a full member regardless of their position ?	83%







**Employees’  
sense of pride in their work  
based on the *feelings*  
employees have toward their  
jobs, team or work group  
and the company.**

**Pride**

Personal Job  
Team  
Corporate Image

Personal Job • Team Accomplishments • Corporate Image



## How Europe's Best Measure Up...

1	I am proud to tell others where I work	91%
2	People are willing to give extra to get the job done	89%
3	When I look at what this organisation accomplishes, I feel a sense of pride	85%



**Employees' sense of camaraderie in the workplace based on the quality of the intimacy, hospitality, and community within the workplace.**

**Camaraderie**

Intimacy

Hospitality

Community

Intimacy • Hospitality • Community



## How Europe's Best Measure Up...

1	This is a friendly place to work	93%
2	When you join the company, you are made to feel right at home	91%
3	People celebrate special events around here	89%
4	I can be myself at work	85%





## Tips for Creating Your Great Place to Work®





# Play to your Strengths!

Find your 'THING' and build on it.

Every organisation will find its own way to build a  
Great Place to Work<sup>®</sup>



## Some steps for creating a Great Place to Work®

- DWYSYWD
- Create a special and unique culture
  - Walk and Talk that Culture
- Work must have meaning and value
- Act like people ARE your most important asset
- Be creative : Think outside the box
- Create a sense of community
- Communicate; Communicate; and then Communicate some more!



## Points to bear in mind....

- Build on Your Strengths
- Learn From Internal Best Practices
- Set Realistic Expectations
  - This is a 5 to 10 year process!
- Involve Employees
  - You can't make it for them!
- The Power of One





## 4 Essential Takeaways



## Great Places to Work..... 4 Takeaways

- Survival
- ‘Why’ not ‘What’
- Opportunity

- **TRUST**



We know that  
any organisation, any size, anywhere, can become a  
Great Place to Work<sup>®</sup>  
Our mission is to help you do it.

## Questions & Answers & Open Discussion

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