

Foreword by Dan Ariely

# A Great Place to Work For All

Michael C. Bush, CEO  
and the Great Place to Work Research Team

**Better for Business.  
Better for People.  
Better for the World.**

**Great  
Place  
To  
Work.**

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## **Praise for *A Great Place to Work For All***

“*A Great Place to Work For All* shines a light on what the best leaders know: great organizations put people first. Bush and his team share their experience and the data to demonstrate that companies that value their employees’ interests and priorities are more successful. This book makes it clear that leading companies drive innovation by empowering people at all levels of the organization—helping them thrive, both personally and professionally. Well-written and replete with tips and examples, it’s a necessary addition to every business leader’s reading list.”

—**Julie Sweet, CEO, Accenture**

“In today’s rapidly evolving marketplace, successful companies differentiate themselves by creating an environment where top talent can do the best work of their lives. It begins with a fundamental premise that a leader’s job is not to build greatness into people but instead to acknowledge that greatness already exists and to devote energy toward creating an environment where greatness can emerge. *A Great Place to Work For All* defines a compelling blueprint for why this is important and how to transform your own practices into building a world-class environment.”

—**Brad D. Smith, Chairman and CEO, Intuit**

“The most successful companies have a higher purpose and are built on a foundation of trust, growth, innovation, equality, and making the world a better place for all. *A Great Place to Work For All* shares the essential values that every organization should follow to thrive in the future.”

—**Marc Benioff, CEO, Salesforce**

“It’s no secret that the world of work has changed drastically, and what defines a great place to work—and a great leader—is the difference between an innovative and mission-driven company and one that remains status quo. *A Great Place to Work For All* builds on a thirty-year legacy of research on thousands of great workplaces and millions of employees to measure the business value of culture, mission, motivation, and leadership. Cultivating human potential for the future requires being intentional in building a caring workplace where employees know they are supported during good and challenging times, the mission remains the heart of the organization, and leaders bring out the best in everyone. This book reveals the opportunities ahead for today’s leaders to create a future workplace that delivers results.”

—**Bernard J. Tyson, Chairman and CEO, Kaiser Permanente**

“At Wegmans, we have always believed that we can only achieve our goals by first fulfilling the needs of our people. When we lead with our hearts and live by our values, everything else falls into place, including strong business results. A workplace that fosters caring and respect for one another, at every level of the organization, is key. This is precisely the premise of this book, and by reading it and applying some of the practices, any organization can be transformed.”

—**Colleen Wegman, President and CEO, Wegmans Food Markets**

“When people find opportunity, trust, and camaraderie in the workplace, they proudly drive the success of their organization. The most profitable companies embrace this and welcome the chance to enhance the well-being of all their employees at every level of the organization. *A Great Place to Work For All* gives readers an effective, researched-based look at how to build and maintain an inclusive, high-performing culture—today and beyond. It’s sure to become a must-have guide for how to sustain a thriving business that creates value and growth for all stakeholders.”

—**Arne M. Sorenson, President and CEO, Marriott International, Inc.**

“In a world that is increasingly uncertain and that changes constantly, employers must listen and respond to their employees’ experiences—in and out of the workplace. Employers have the opportunity to lead with purpose and create an environment of stability to respond to this ‘new normal.’ I believe that the companies that do this will enjoy lower attrition rates, higher ROI for recruiting efforts, increased creativity and flexibility, engaged managers, and of course, superior work quality. Business leaders must accept that creating great places to work for all is a new business imperative for success, or they risk falling behind.”

—**Tim Ryan, US Chairman and Senior Partner, PwC**

“A company’s ability to deliver on its mission is tied directly to the passion, commitment, and resilience of its people. In my experience at Genentech, our capacity to innovate, drive progress, and help people facing serious diseases depended on maintaining a positive and productive environment for all. I believe a critical part of any leader’s role is to cultivate a workplace where each person feels connected to a core purpose, valued as an individual, and able to contribute his or her best.”

—**Ian Clark, former CEO, Genentech**

“*A Great Place to Work For All* provides companies a blueprint on how to build a sustainable winning culture. No company can fulfill its potential without attracting and cultivating great people, at all levels of the organization, who know that what they do makes a difference every day. Such a winning culture does not materialize by accident but instead reflects a concerted effort to align values, people programs, and communications in a strategic way.”

—**Walter White, President and CEO, Allianz Life Insurance Company of North America**

“In an increasingly volatile and uncertain world, it is vitally important for business leaders to build For All workplaces where people can truly be themselves, be inspired by a compelling purpose, and work hard for the benefit of one another and their customers. For All workplaces have the potential to drive change in society, resetting both our personal and collective expectations ever higher for shared success and opportunity for all.”

—**Heather J. Brunner, Chairwoman and CEO, WP Engine**

“Digital disruption is impacting every business around the world, and in these uncertain times companies need to invest more than ever in their people to ensure that they can adapt and innovate. Core values and culture need to be more than a poster on the wall. They need to drive the behavior of your employees. Companies with a strong culture and highly engaged employees will not only survive but thrive and innovate!”

—**Jim P. Kavanaugh, CEO, World Wide Technology**

“*A Great Place to Work For All* skillfully relates how companies that put their people first find the greatest success and that building a culture of trust throughout an organization fuels its growth and performance.”

—**Dennis Gilmore, CEO, First American Financial Corporation**

“A true north to be followed by leaders in every industry, *A Great Place to Work For All* compels us to reach for more than financial performance and makes an inspiring argument that only by building an environment of complete trust and a culture of deeper meaning can we create an enduring company with long-lasting growth. We share these beliefs at GoDaddy, and they’ve been an essential part of our transformation.”

—**Blake Irving, former CEO, GoDaddy**

“Let’s face the facts. Traditional workplace practices, many designed to simply control and cope with employees, are no longer sufficient and are even being rejected by today’s workers who want more. It’s time to adopt new constructs that, instead, empower employees to flourish. What’s really exciting about *A Great Place to Work For All* is the book’s detailed explanations of the specific behaviors required to maximize human potential. This is a must-read for business leaders, HR professionals, line managers, and executives who want to engage our most precious resources: people.”

—**Dr. Amy Schabacker Dufrane, SPHR, CAE, CEO, HR Certification Institute**

**A  
Great  
Place  
to Work  
For All**

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**By Michael C. Bush, CEO  
and the Great Place to Work Research Team**

Better for Business.  
Better for People.  
Better for the World.



**BK**

Berrett-Koehler Publishers, Inc.  
*a BK Business book*

## A Great Place to Work For All

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*For everyone doing this thing called “work”  
—and for those who haven’t yet begun*

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# Foreword

## A Better View of Motivation

by Dan Ariely

There is no question that for almost all companies the largest expense, across the board, is employee compensation. Most companies spend the majority of their income to motivate people through salaries and bonuses. But do companies spend this large amount of money in an ideal way or would they be better off spending some of it in other ways?

Some time ago, I sat down for a long discussion with an executive from a very (very) large publicly traded bank. Like many financial firms, his bank gave some people incredible bonuses at the end of their fiscal year, sometimes to the tune of millions of dollars. The executive explained to me the complex and detailed system of equations the bank used to allocate these huge payouts, which had to do with factors like individual contribution, group contribution, the overall function of the bank, and the overall function of the individual in the group. He asked me for my opinion about each one of the parameters, and each of the equations, and we talked about these in detail for two hours.

At the end of the two hours, I asked him to paint for me a picture of how these big bonuses are delivered to people. “Do you give them a check in an envelope?” I asked. “Does the money go directly in their account? Is there some kind of a ceremony? A discussion? Does the boss ask them how they are going to spend the money? Does the boss invite the employee

out to celebrate with a glass of wine or beer? Do they shake hands? Is there a hug?”

“Of course not,” my interlocutor replied stiffly. “We’re XYZ Bank.”<sup>1</sup>

“So you’re giving people all of this money to motivate them, but you are not taking any non-monetary actions to increase their motivation?” I asked. “What do you think would happen if a boss took out the employee for a celebratory beer? What if the boss gave them some advice about how to spend the money more wisely? How much more motivated would the employee be then?”

“Interesting,” he said.

“Maybe we could even quantify the motivational power of a beer,” I continued. “For example, what would create stronger long-term motivation and loyalty, a million dollars in an envelope and a handshake, or \$950,000 with celebratory beer? What about a million dollars vs. \$900,000 with celebratory beer and a hug? The point is, that while your bank is very happy to make up compensation equations and give tremendous amounts of money away, you’re not truly exploring the fundamentals of human motivation, you are not investing in human capital, and you are not learning how to get people to care more about what they are doing.”

By way of illustration, I described to him an experiment that my colleagues and I had once run at an Intel chip factory. In that experiment, we examined one type of bonus that came in the form of money, another that came in the form of a pizza voucher, and a third that was a compliment from the boss. The results showed that the compliment was the most motivating form of reward. Moreover, while the financial bonus had a

short-term positive effect on performance, it had a long-term negative effect on performance, and together the overall long-term effect of the financial bonus was negative. “The main point,” I told him, “is that there is a lot more to work than just the opportunity to exchange labor for money.”

Like this bank, too many companies fail to understand the complex, intricate topic of motivation and how to optimize it. That’s because they perceive themselves as makers of goods like cell phones or pharmaceuticals, or deliverers of services like TV or banking. They don’t pay sufficient attention to the parts of the business that don’t make it to the balance sheet, or the kinds of things that are not reported to Wall Street. They don’t fully realize that companies, and their futures, are largely a sum of their human capital.

Caring for employees, making them feel respected and valued, treating them fairly, giving them opportunities for growth, and taking them out for a celebratory beer once in a while don’t have a monetary line item on the P&L sheet, but they can be worth a lot, particularly in the long run. As Great Place to Work’s invaluable surveys of millions of employees show very clearly, when employees feel pride in their work, trust in their leaders, and camaraderie with their coworkers, they repay the company with commitment and engagement that also show up on the bottom line. What’s more, when companies build a consistently great culture—what Great Place to Work calls a For All culture, the boost is increased even more.

“A Great Place to Work,” writes Michael Bush, “is one where employees trust the people they work with, have pride in the work they do, and enjoy the people they work with.”

This is not just touchy-feely stuff: the excellent data that Great Place to Work has accrued over time (and that I've used in my own studies on workplace motivation) bears it out. Some of their findings have been surprising. For example, it turns out that people worry less about monetary inequality than they do about the fairness of processes and being treated equally across categories such as gender and race. So it's OK for someone to get a larger bonus than someone else as long as the methodology used to sort out who gets what is understood to be fair and equitable.

There is no question that the engine of growth for any company is the ingenuity of their employees, while the engine of stagnation is employee apathy. This book shines a light on the importance of investments in human capital that go beyond salaries and benefits. In today's workplace, in which work and life are tightly integrated, companies need people to be thinking about work commitments practically around the clock. The only way employees will do that willingly is when they believe that their leaders care for them, that they are treated fairly, and that they're engaged in meaningful work. By investing more in human capital, companies can do much better for all their stakeholders—for shareholders, for the people who work there, and for the world.

**Dan Ariely** is the James B. Duke Professor of Psychology and Behavioral Economics at Duke University and the author of several books, including *Predictably Irrational*, *The Upside of Irrationality*, *The Honest Truth about Dishonesty*, and *Dollars and Sense*.

## Introduction

# A Great Place to Work For All

**What was good enough to be “great” 10 or 20 years ago is not good enough now. To survive and thrive in the future, organizations have to build Great Places to Work For All.**

Like other business leaders, John Chambers likes to win.

But his way of winning is different.

We recently spoke with the longtime CEO of tech giant Cisco Systems, and his face lit up when he talked about outlasting rival networking firms and the thrill of outmaneuvering business opponents by thinking ahead.

“The chess game is fun,” said Chambers, who stepped down from the CEO post three years ago but remains at Cisco as executive chairman. “I never make the first move on the chessboard until I’ve already played the game forward and backward.”<sup>2</sup>

He plays it well. During Chambers’ 20 years as CEO, Cisco’s annual revenue soared from \$1.2 billion to \$47 billion, the company laid the plumbing for the modern Internet, and *Business Insider* named it one of the “Greatest Tech Companies in History.”<sup>3</sup>

So, in many ways, Chambers is the quintessential take-charge, no-nonsense, play-to-win business executive. But something sets him apart. Unlike most business leaders of his era, Chambers realized early on that a key to winning as a leader is tapping your people power—that is, creating a

great place to work, where people bring their best selves to the organization.

Chambers calls it “culture,” or you might call it the queen piece in his chess matches. “While some people view culture as not a key ownership requirement for the CEO, I respectfully disagree,” he said. “I think it is the foundation.”

Chambers’ focus on culture is why Cisco has been a mainstay on the 100 Best Companies to Work For list we publish each year with our partner FORTUNE magazine. Cisco, in fact, is one of the 12 “Legend” companies that earned a place on our list each of the first 20 years we produced it.

At a recent Great Place to Work For All conference, Chambers spoke from the main stage to our “choir”—the community of companies that already get the importance of a great culture. But he had a sermon about the emerging digital economy that shook people up.<sup>4</sup>

The speed of change is accelerating, Chambers said. And that means, more than ever, everyone in the organization counts. Companies won’t be able to win if they wait for senior executives to learn about problems and make decisions. Today, there are 17 billion devices connected to the Internet, Chambers said, and that number will explode to 500 billion in 10 years, meaning companies will have to make sense of unprecedented amounts of data. “You’re going to have information coming into your company in ways you never imagined before,” he said. “Decisions will be made much further down in the organization at a fast pace.”

The upshot of his message is agility and success in today’s chess matches require getting all your people into the game—making decisions rather than serving as passive pawns.

What John Chambers told our conference audience gets at the heart of this book. What was good enough to be great 10 or 20 years ago is not good enough anymore.

## Decades of Studying Greatness

Our organization, Great Place to Work, should know. For more than two decades, we have conducted one of the largest employee surveys in the world, mainly through our research for the many Best Workplaces lists we produce in partnership with business publications spanning the globe. In the United States, we are best known for producing the annual FORTUNE 100 Best Companies to Work For in America and other Best Workplaces lists. However, we create similar lists in more than 50 countries across six continents.

Each year, we survey as many as 4 million employees globally at more than 6,000 companies—firms that collectively employ roughly 10 million people. In the United States alone, we polled nearly 650,000 employees in 2016, obtaining results that reflect the views of about 4.5 million American workers. The companies we survey represent virtually every size and industry.

Over time, this has amounted to a trove of data on what

### **Great Place to Work Trust Index Employee Survey**

#### One of the World's Largest Employee Surveys

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- ▶ 3 million+ surveys representing roughly 10 million employees per year
  - ▶ 58 countries across six continents
  - ▶ 6,000+ companies per year
  - ▶ Based on 30 years of data
-

employees experience when their company is a Great Place to Work—and how leaders can build one. We have learned great workplaces are not created through a particular set of benefits, unique to a particular industry, limited to public or private organizations, or the advantages of large or small organizations. Instead, universally, a Great Place to Work is one where employees trust the people they work for, have pride in the work they do, and enjoy the people they work with.

“  
Our 30 years of research shows a  
Great Place to Work is one where  
employees trust the people they work  
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”

When we started this work, our goal was to understand and celebrate what type of work experience was considered “great” by employees. In the process of that analysis, we discovered something even more powerful. The same qualities employees around the world report make a great workplace—trust, pride, and camaraderie—also fuel business performance.

For example, as we will discuss in Chapter 1, the publicly held companies that appear on the FORTUNE 100 Best list have delivered stock market returns two to three times greater than major stock indices. And it doesn’t stop there. Relative to their competitors, great workplaces win when it comes to revenue growth, employee retention, productivity, innovation, resilience, agility, customer service, employee engagement, and more. Internationally, we have found the same holds true.

Thanks in large part to our data and the findings of other researchers, leaders over the past 20 years have increasingly recognized that doing well by their people also serves their business.

## A New Frontier

But this general formula isn't good enough anymore.

The chess game has changed, and our newest research shows that what it means to be a great workplace has evolved.

“  
The new frontier in business is about  
improving results by developing  
every ounce of human potential.  
”

We have entered a new era, a new frontier in business. This largely uncharted territory is about growing your business and improving results by developing every ounce of human potential within the people who work there. Our economy has evolved through agrarian, industrial, and “knowledge” phases to the point where the essential qualities of human beings—things like passion, creativity, and a willingness to work together—are the most critical. Societal and technological changes are creating new opportunities and challenges for organizations as they seek to attract the best talent and win over customers. Fast-changing competitive landscapes are putting a premium on agility and redefining what it looks like.

More people, of more diverse backgrounds, are speaking up and being heard. The massive millennial generation expects their workplaces to provide meaning, balance, and career development. Millennials also expect the brands they buy to hold the same values and will judge them harshly not

just if they fail consumers but if they fail their own employees as well. Female employees, as well as those from different racial and ethnic groups, are also speaking up, sharing injustices faced in the workplace on the social media airwaves, and demanding equality.

All these changes mean companies must clear a higher bar in creating cultures that are welcoming to everyone. Our research, for example, shows that female employees who don't feel they can have honest conversations with leaders have a lower overall workplace experience and are more likely to jump ship. On the flip side, we found that among the often-criticized group of millennial employees, those who experience their company as a great workplace are 20 times more likely to plan a long-term future there than those who do not.

The Best Companies to Work For in the United States have improved for employees over the past two decades, *on average*. But our data shows they are, to a great degree, still wasting human potential. They typically have pockets of people who do not feel fully alive at work and therefore are not contributing their best ideas or bringing their best selves to work.

## **A New Era for Great Place to Work**

We began to focus on the way many great workplaces have been great for some but not all in 2015. That's when I joined Great Place to Work as CEO. I knew employees at many of our Best Workplaces—and knew some of these people were not having a great experience. What's more, as I met with customers they pushed us to innovate our methodology, given the new challenges their businesses were facing.

So we dug into our data. The resulting analysis created a new purpose for us. If we're going to call a company "great," it's got to be great for everybody. It's got to be a Great Place to Work...For All.

A Great Place to Work For All has six components we now measure:

1. Values
2. Innovation
3. Financial Growth
4. Leadership Effectiveness
5. Maximizing Human Potential
6. Trust

The first four items make sense to any leader running an organization. Item 5, Maximizing Human Potential, resulted from a review of our survey data, which showed significant discrepancies in the work experience between executives and those on the front lines. Between men and women. Between different generational cohorts. Between people of different ethnic and racial identities.

So we decided to raise the bar in our model and our methodology to reflect the new For All standard. Central to our new approach is maximizing human potential; we are now assessing how well companies create a consistently positive experience for all employees, no matter who they are or what they do for the organization. We made this shift to reflect the reality of the world today, and to recognize and learn from the inclusive organizations that are setting the pace. Not just for moral reasons but for business reasons. Our most recent research shows companies that rate most highly according to

our new For All standard grow revenue three times faster than their less-inclusive rivals.

In other words, while trust fuels business performance at great workplaces, For All accelerates it. In a separate study, we found the organizations scoring highest using our new For All methodology grew their revenue about 10 percent faster over the same period than the companies that scored best according to our old methodology, which simply measured *average* levels of trust, pride, and camaraderie (see Figure 6 on page 28).

“  
In the emerging economy, leaders have  
to create an outstanding culture for  
everyone, no matter who they are or what  
they do for the organization. They have  
to build Great Places to Work For All.  
”

It makes sense that For All organizations race ahead, because now business success relies on developing all your human potential. Every employee matters in an economy that is about connectivity, innovation, and human qualities like passion, character, and collaboration.

The upshot is, in the emerging economy, the Best Workplaces can do better—much better. And they must. They have to work in new ways and with new behaviors to create an outstanding culture for everyone, no matter who they are or what they do for the organization.

The same is true for all organizations. To survive and thrive in the future, organizations have to build Great Places to Work For All.

## A New Model

The six elements of a Great Place to Work For All are each important in their own right. They also fit together. Organizations are able to maximize human potential through leadership effectiveness, meaningful values, and a culture where all employees experience high levels of trust. When those pieces are in place, companies benefit from improved innovation and financial growth. In effect, the six elements work together to create a portrait of a Great Place to Work For All (see Figure 1).

It's a thing of beauty. But creating it amounts to a challenge to leaders: to recognize human potential is the name of the new game, fairness is the playbook, and the companies that reach all of their people win. In this new era, it will be critical for CEOs to make sure their workforce and their executive team reflect the world around them. You can't have a For All workplace if you don't have *all* kinds of people there in the first place. In addition, executives who reflect the population are

Figure 1

### Portrait of a Great Place to Work For All



essential for understanding customer needs and for retaining and inspiring employees lower down in the organization. People need to see leaders who look like them to believe they can advance and for them to fundamentally trust their executives.

Apart from reflecting on the makeup of the C-suite—and changing it if necessary—leaders face another major adjustment. Much of the leadership development industry in recent years has told leaders to look within themselves. It's not wrong to focus on strengths and passions, but it's not enough in a world where the pace of business is picking up, diverse perspectives are critical, and everyone wants a say. Today's leaders have to look outward as well—at the business landscape, of course, but also at their employees. They must get objective data on what their people are experiencing, what employees believe is working and not working. Assessment tools today, from us and others, allow for surgical precision in terms of how to improve. Employee survey data, when you measure metrics that actually drive your business and culture, is the “last mile” for making your leaders better and your culture consistently strong.

## **A Grim Reality, a New Hope**

Many workplace cultures today are weak. Grim, even. Around the globe, today's businesses have people who do not feel inspired or heard, who feel strained and stretched and insecure. Many workplaces not only deaden the spirit and overwhelm the mind but kill the body too—in some cases through dangerous work conditions but also through job stress that leads to heart disease and other health problems that shave years from our lives.

Business executives may earn more money and even enjoy their jobs, but many pine for a deeper sense of purpose. They also worry about slow growth, an ever-changing business landscape, and how to get more from their people, many of whom are anxious and disengaged.

But there's hope in Great Places to Work For All.

Our goal in writing this book is to inspire business leaders to wield their power toward greatness: to improve the performance of their businesses, the lives of the people who work there, and the state of the world at large by building Great Places to Work For All. This book is organized into three sections that address these areas and paint the picture of the type of leader who is able to achieve a For All workplace.

“  
Leaders who commit to building  
Great Places to Work For All have  
the power to repair and strengthen  
social bonds, improve individual  
lives, and elevate the human spirit.  
”

Part One, “Better for Business,” is the heftiest section and provides a business case for why leaders should make building a Great Place to Work For All a top strategic priority. Here, we share anecdotes and evidence illustrating the ways high-trust cultures boost revenue and business success. We also explain how Great Places to Work For All foster more agility, making them critical to business survival in an increasingly fast-paced, hypertransparent, technology-driven landscape. We offer a detailed description of the six elements of a Great

Place to Work For All. And we round out the section by taking a deep dive into our latest data that identifies the specific gaps in experience reported by different demographic groups in the workplace. We show how when these gaps are closed, human potential is maximized and organizations outpace rivals.

Part Two, “Better for People, Better for the World,” examines the tremendous impact the workplace has on human beings and on the world at large. Through real examples from great workplaces, we show that when people have a positive experience of work, and are able to bring the best of themselves, they enjoy healthier, more fulfilling lives. In this section, we also take a global view of the workplace as a key lever for building a world defined by shared prosperity, fairness, and individual opportunity. We show how leaders who commit to building Great Places to Work For All have the power to repair and strengthen social bonds, improve individual lives, and elevate the human spirit.

Part Three, “The For All Leadership Call,” shifts attention to the For All Leader profile and the next steps leaders can take after reading the book to accelerate leadership performance for themselves and their teams. Here, we share our new research involving 10,000 managers and 75,000 employees, which has allowed us to identify five leader personas: the Unintentional Leader, the Hit-or-Miss Leader, the Transactional Leader, the Good Leader, and the pinnacle For All Leader. We also share the business performance associated with each level and provide data-backed recommendations for “leveling up” as a leader.

## A New Mission

We're so convinced that Great Places to Work For All are better for business, better for people, and better for the world that we've updated our mission. It now includes the For All piece: our mission is to build a better world by helping organizations become Great Places to Work For All. And we've set a deadline for achieving it: we want every organization across the globe to be a Great Place to Work For All by 2030.

“  
We have a new mission and a deadline  
for it—we want every organization  
across the globe to be a Great  
Place to Work For All by 2030.  
”

Yes, this is a lofty goal. But we've been here before. When we began exploring the idea of a Great Place to Work three decades ago, the concept was not mainstream. Our first 100 Best list with FORTUNE in 1998 was an oddity. Caring about a great culture was considered outlandish by most business leaders. Today, organizations routinely include a great workplace as a core strategic priority, thanks in part to the impact of our Best Workplace lists and certification programs.

The same thing is happening again. There's a vanguard working to crack this For All concept. The Best Workplaces are moving quickly to become Great Places to Work For All. We hear their curiosity about what For All means and see them nodding in agreement with our new methodology. Soon, workplaces that are great for everyone will be the new base-

line expectation for employees, customers, and the broader public. If anything, change may come faster this time around, because we aren't alone in 2018. More and more business leaders around the world are taking courageous, public stances in favor of a For All world.

We hope this book inspires you to join them and us on our mission. You may be the kind of leader who loves to compete and win the chess match. Or maybe you are driven more by the idea of creating a great company for your employees. Or by the goal of making the world a better place.

No matter what spurs you on, the way forward is the same: creating a Great Place to Work For All.

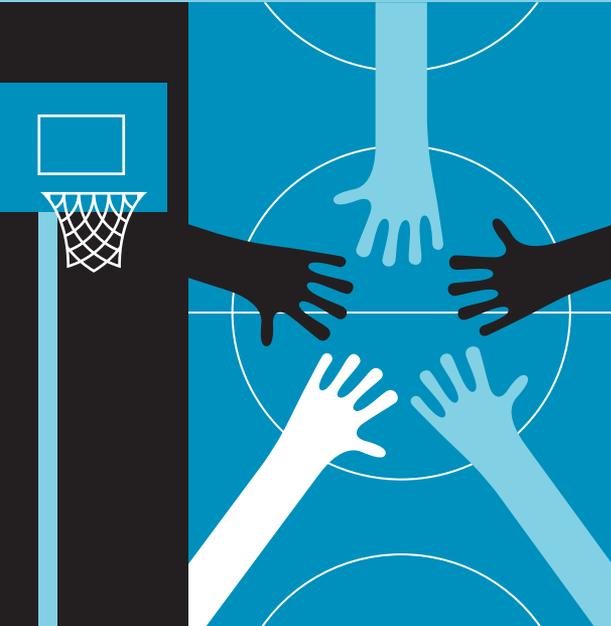
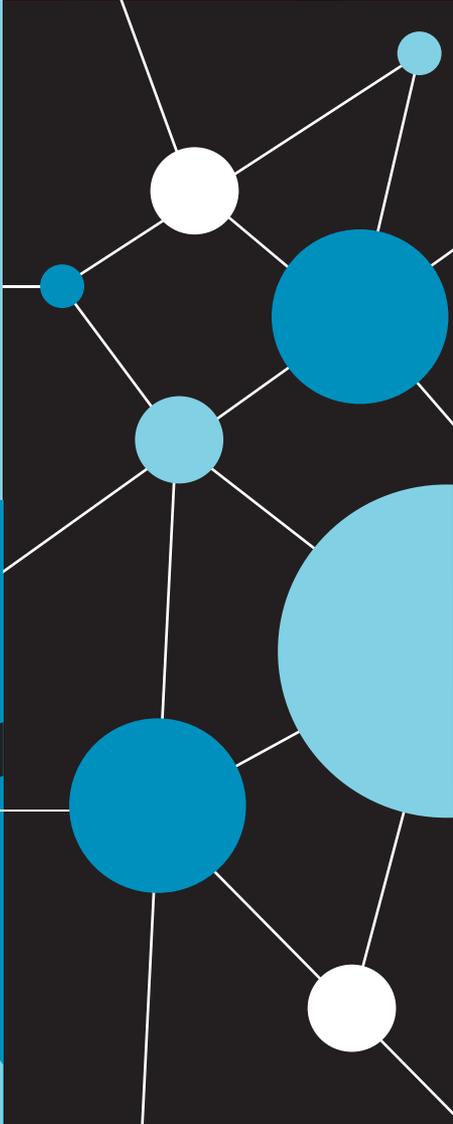
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Part One

# Better for Business





## Chapter 1

# More Revenue, More Profit

**Great Places to Work For All are better for business. A consistent high-trust culture is quickly becoming critical for business success.**

To see the way a Great Place to Work For All wins in business, look at how a For All culture wins on the basketball court.

That is, look at the Golden State Warriors. The professional basketball team of the San Francisco Bay Area has a motto of “Strength in Numbers,” and they live up to it. In contrast to the conventional style of play that isolates the most talented players for scoring chances or defensive stops, the Warriors pass the ball incessantly on offense. And their defense involves all five players working together as a unit, constantly helping each other out and switching assignments.

For the 2016–17 season, they ranked as the second-most stingy defense in the NBA. The Warriors also ranked as the most efficient offense the past two years. They have finished first in assists each of the past three years—a sign of the cooperative, unselfish play that leads to easy baskets. These include the many three-point, long-distance shots that earned Warriors guards Stephen Curry and Klay Thompson the nickname “the Splash Brothers.”

Overall, the Warriors’ success over three seasons is unprecedented. They won 207 games amid just 37 losses—the best regular-season record in a three-year stretch in NBA

history. The team won the league championship in 2015, came within a hair's breadth of winning it in 2016, and won the title again in 2017.

To be sure, a key to the Warriors' strong performance is the individual talent of their players, including two-time Most Valuable Player Curry as well as all-stars Thompson, Kevin Durant, and Draymond Green. But the players are thriving in a culture that consciously builds trust and a strong, inclusive community. Coach Steve Kerr took the reins of the team in 2014, and one of his first acts was to establish a set of values that ran counter to business as usual in pro basketball. Kerr, a former player and NBA champion himself, declared "competition" to be one of the team's four guiding principles. Nothing shocking there. But here were the three others: joy, mindfulness, and compassion.<sup>5</sup>

In effect, Kerr wanted to bring a human touch to a sport that has at times taken itself too seriously and too often treated players more as machines than people with a love for the game. The compassion piece also signaled a level of caring and vulnerability rarely heard from a leader in any professional arena, let alone athletics.

The values aren't just words on a wall for the Warriors. The team has stood out for team chat threads, group dinners, goofy pranks on each other off the court, and giddy celebrations during games.

Much of the esprit de corps flows from Kerr himself. He has proven to be a leader who respects everyone associated with the team and is willing to diversify his talent pool. For example, Kerr made a key strategy shift in the 2015 finals series based on a recommendation from one of his lowest-ranking

coaching assistants. His staff includes a 70-year-old assistant coach—Ron Adams—and a female head of physical performance and sports medicine. And while Kerr is not shy about instructing his players, he is known for hearing them out as well. “Steve is a very good listener and because of that is able to solicit good ideas from his players,” Adams says. “They know what they say is going to be listened to and respected.”<sup>6</sup>

Sports are always about teamwork, but the Warriors have pushed the concept to a new level. They are reaping the rewards of that push, including in the key area of talent attraction. Crucial to the 2017 title win was adding Durant, a former league Most Valuable Player, who was drawn to the Warriors’ camaraderie and winning ways.<sup>7</sup>

Those winning ways are fueled by a culture that consciously brings out the best in everyone.

In effect, the Warriors are a perfect example of how Great Places to Work For All are better for business. Most organizations aren’t trying to win basketball games. But the same For All culture found in the Warriors will allow any business to enjoy more revenue and more profit.

## Trust Fuels Performance

Central to a For All culture is a high level of trust. Our data and other evidence have demonstrated that high-trust cultures win in business.

For more than 30 years, Great Place to Work has studied and recognized organizations with high-trust cultures, in part through the Best Workplaces lists produced in partnership with FORTUNE magazine. For these companies, a defining feature of being recognized as a great workplace is a high

## What Is a High-Trust Culture?

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It is a workplace where trust-based relationships are highly valued. In our 30 years of research, we have found that employees experience high levels of trust in the workplace when they

- ▶ Believe leaders are credible (i.e., competent, communicative, honest)
  - ▶ Believe they are treated with respect as people and professionals
  - ▶ Believe the workplace is fundamentally fair
- 

level of organization-wide trust, as reported by employees. This research, along with findings from various independent research groups, illustrates that high levels of trust pay off. Among the business benefits of high-trust cultures are:

- ▶ Stock market returns two to three times greater than the market average (see Figure 2).

For more than a decade, an independent investment firm has tracked the stock performance of the publicly traded FORTUNE 100 Best Companies to Work For. In a simulated portfolio that is reset with newly named list companies each year, the research shows Best Companies have a cumulative return nearly three times the benchmark Russell 3000 and Russell 1000 indices.

A separate, independent study came to similar conclusions. Alex Edmans of the London Business School conducted a complex four-year study that proved a high-trust culture precedes the Best Workplaces' strong stock market performance, and not the other way

Figure 2

## High-Trust Cultures Win in the Stock Market



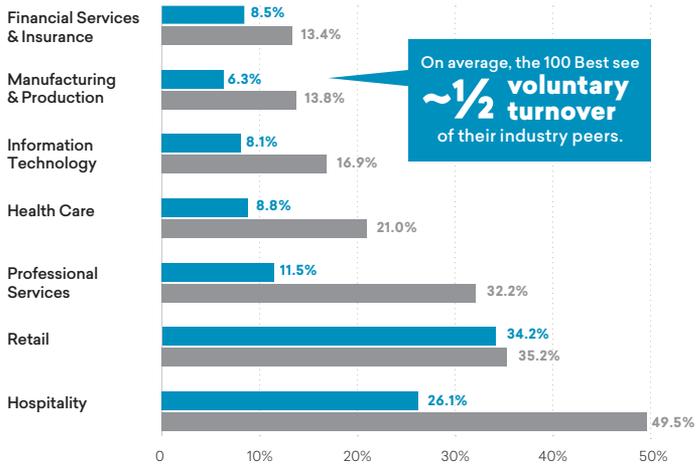
around. He also found the 100 Best Companies delivered stock returns that beat their peers by 2 to 3 percent per year over a 26-year period.<sup>8</sup>

- ♦ Turnover rates approximately 50 percent lower than industry competitors (see Figure 3).
- ♦ Increased levels of innovation, customer and patient satisfaction, employee engagement, organizational agility, and more.

A Great Place to Work study of the hospitals that made the 2016 FORTUNE 100 Best Companies to Work For list found that, on average, these high-trust hospitals have Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) patient satisfaction scores that are significantly higher than the U.S. average

Figure 3

## High-Trust Cultures Enjoy Low Turnover



Source: 100 Best data provided by Great Place to Work. Comparative industry data provided by Bureau of Labor Statistics. 100 Best data includes full- and part-time turnover; BLS data includes the same in addition to turnover for temporary/contract workers.

■ 2017 100 Best Companies to Work For  
■ National Industry Average

for overall hospital rating and whether patients would recommend the hospital (see Figure 4). As patients are the end “customer” in a health care setting, these results demonstrate the positive impact a high-trust culture can have on the overall customer experience.

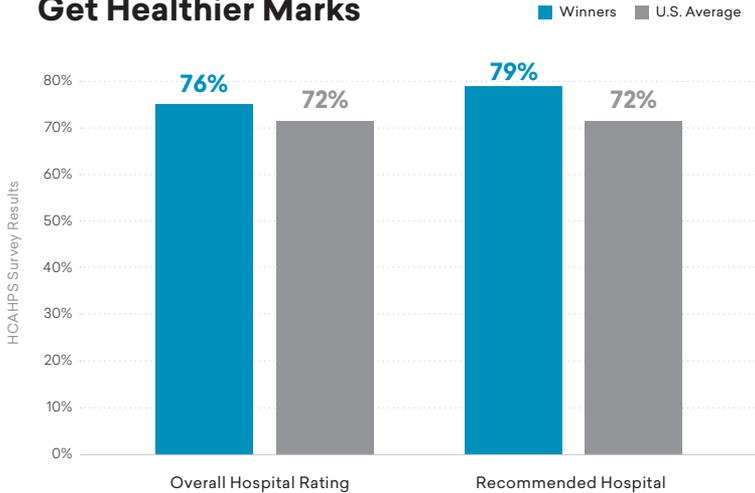
## For All Accelerates Performance

So, high-trust workplaces outpace business rivals. But our latest research shows organizations must clear an even higher bar to reach their full potential.

As great as the 100 Best Companies are, they typically

Figure 4

## High-Trust Hospitals Get Healthier Marks



Source: Great Place to Work analysis of HCAHPS Scores

have had significant gaps in the employee experience between groups of people. For example, there are sizeable gaps in the work experience between men and women, salaried workers and non-salaried workers, and executives and individual contributors, to name a few of these differences. These gaps mean not everyone is having a positive experience, which means they are not likely to bring the best of what they have to offer to the organization.

At the same time, we are entering a new frontier in business. This largely uncharted territory is about developing every ounce of human potential, because every employee matters in an economy that is about connectivity, innovation, and human qualities like passion, character, and collaboration.

Societal and technological changes are creating new

opportunities and challenges for organizations in the competition for loyal customers and talented employees. The millennial generation, in particular, is a highly diverse group that expects meaning, growth, and balance at work. A reputation for developing employees and for welcoming people from all backgrounds and walks of life is increasingly crucial to attracting and retaining the best team possible. In short, the emerging business climate compels organizations to create an outstanding culture for everyone.

Our latest research backs the idea that organizations must create Great Places to Work For All to thrive. For one thing, we found Great Places to Work For All leave competitors in the dust. In studying employee surveys from the 2017 100 Best and the non-winning contender companies, we found the more consistent an organization is on metrics related to innovation, leadership effectiveness, and trust, the more likely it is to outperform peers in revenue growth. In particular, companies in the top quartile on these metrics—which we call our For All Score—enjoy more than three times the revenue growth of companies in the bottom quartile (see Figure 5).

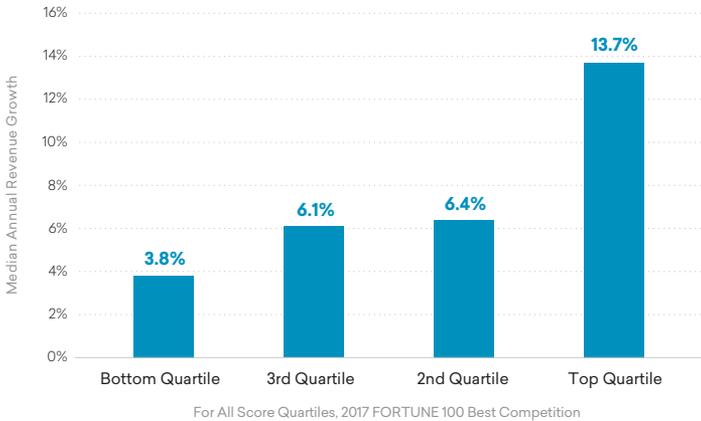
We also found Great Places to Work For All grow their revenue faster than companies that simply show high levels of trust *on average*.

Up until this past year, we measured the employee experience by examining the overall, average response to our Trust Index Employee Survey. This “old” approach—which has been the foundation of our ranking of the FORTUNE 100 Best Companies to Work For list for the past 20 years—didn’t take into account statistically significant gaps that may exist between demographic groups.

Figure 5

## Great Places to Work For All Grow Revenue Faster

### Part 1



Source: Great Place to Work analysis

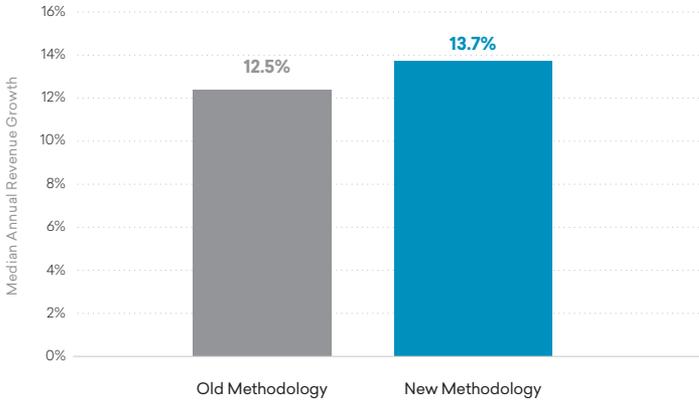
In 2017, the organizations that ranked highest according to the new For All methodology proved to be a different set of companies than those that ranked highest when using the traditional methodology. And the top tier of these new For All companies grew faster than the best companies determined by our traditional methodology. We found 13.7 percent median annual revenue growth for the top quartile of companies on the For All Score ranking. That compares to 12.5 percent annual revenue growth for the top quartile of companies ranked by our traditional way of gauging the employee experience (see Figure 6).

This follows other evidence from us and others that

Figure 6

## Great Places to Work For All Grow Revenue Faster

### Part 2



Source: Great Place to Work analysis

inclusive cultures provide more value to shareholders and all stakeholders:

- ◆ In a 2015 report, consulting firm McKinsey examined 366 public companies across a range of industries in Canada, Latin America, the United Kingdom, and the United States, and found companies with more diverse workforces perform better financially. Gender-diverse companies were 15 percent more likely to outperform peers with little gender diversity, while ethnically diverse companies were 35 percent more likely to outperform less-diverse peers.<sup>9</sup>
- ◆ A 2016 study by the Peterson Institute for International Economics involving nearly 22,000 firms from 91

countries found “the presence of women in corporate leadership positions may improve firm performance” and that “the payoffs of policies that facilitate women rising through the corporate ranks more broadly could be significant.”<sup>10</sup>

- Our own research in producing the 2016 Best Workplaces for Diversity list showed that the most inclusive workplaces experienced average annual revenue gains 24 percent higher than their peer companies certified by Great Place to Work.

Our study suggested that just hiring a demographically diverse workforce will not by itself boost results. Simply increasing headcount diversity did not show a strong connection to revenue growth. Instead, our data showed that employees’ experience of genuine workplace inclusion—as seen by high, consistent survey scores in areas such as fair treatment and a caring environment—is a better predictor of revenue growth than diversity alone.<sup>11</sup>

Leading companies, including many FORTUNE 100 Best Companies, are on the path to For All workplaces. They are working to close the gaps in the employee experience. And they are seeing payoffs.

Take software giant Salesforce, a perennial 100 Best Company. CEO Marc Benioff and his team invested \$3 million in 2015 to address a gender pay gap at the company. The move, along with a host of other equality efforts, has reaped rewards. Salesforce is becoming a beacon for talented women in technology, and it’s enjoying the fruits of a more fully engaged workforce. The percentage of women employees who say they

want to work at Salesforce for a long time jumped from 85 percent in 2014 to 93 percent in 2016. And 92 percent of female employees in 2016 said people look forward to coming to work at Salesforce, up from 85 percent in 2014.

Salesforce has not rested on its laurels on the gender pay issue. It conducted a similar pay equity study in 2017, investing \$3 million more to close compensation gaps. Perhaps not surprisingly, the company has been growing faster than its rivals, and it dominates the customer relationship management software market.<sup>12,13</sup>

But the Golden State Warriors may be the winningest of them all these days—and not just on the court. With its “Strength in Numbers” culture as a foundation, the franchise has been raking in business rewards as well. The value of the team rose an NBA-high 37 percent to \$2.6 billion in 2017, leapfrogging from sixth place to third place in the league.

With their season ticket renewal rate at 99.5 percent, the Warriors felt confident enough in 2017 to raise season ticket prices by 15 to 25 percent. And the organization landed a \$300 million deal with Chase to name the Warriors’ new stadium—a record price for a U.S. arena.<sup>14</sup>

Warriors co-owner Joe Lacob caught some flak for boasting in a 2016 *New York Times* profile that the organization, with its “Silicon Valley precepts” such as open communication and collaborative decision making, is superior to its peers. “We’re light-years ahead of probably every other team in structure, in planning, in how we’re going to go about things,” Lacob told the *Times*.<sup>15</sup> Lacob may be guilty of bravado, but there’s little arguing with the way he and his partners have seen their

investment blossom. They bought the team for \$450 million in 2010, meaning their ROI as of 2017 was a gain of nearly 500 percent.

The Warriors culture is where businesses must go as well. The business case for a Great Place to Work For All isn't merely a two-point slam dunk. It's better. It's a three-point splash.

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