



Creating a Great Place to Work® – Key Drivers

- **Prasenjit Bhattacharya**

Recently, we invited the HR Heads of two companies who feature in our Best Workplaces List to address members of a leading association of HR professionals. The group was keen to know the secret behind the “success” of these two companies.

Both spokespersons of their respective companies talked about what they have done, and what they have done is impressive. However, I know a number of other organizations with very good practices and processes. Invariably, presentations on “Best Practices” do not reveal why employee perceptions differ so dramatically in organizations with similar processes – viz. talent management, employee development etc.

To go behind these practices, and dig deeper into what differentiates the best workplaces from the rest, we analysed over 50,000 employee responses in our 2009 Best Companies to Work For Study – i.e. around 3 million data points! What emerged is fascinating, yet in many ways obvious set of inferences.

So what are the “key drivers” that impact overall employee perception about their workplace being a great place to work? In order of importance they are:

1. Management’s actions match its words

No amount of best practices can match actual role modelling by senior managers. Performance appraisal works even without a forced ranking at Mindtree because the Executive Chairman is ready to put his appraisal in the intranet for all to see! At RMSI transparency means that employees calculate their own performance bonus. Fred Smith of FedEx is known as a man of his word. There is a well known story about him. Once, when the company was going through a tough phase, he had to sell his personal assets and give a cheque to the company to try to save jobs.

2. I am treated as a full member here regardless of my position

All employees of Sierra Atlantic, Texas Instruments, FedEx, Intel and many more organizations enjoy work environments characterised by “single status”. Even the global CEO of Intel has the same open office. Some time back I visited an Organization UST Global in Trivandrum. One delightful practice that the founder had initiated is called a “No Sir Fund”. Anyone who addresses another senior colleague as “sir” has to pay a fine! Ditto for getting up if a senior comes to meet you!

In many “heritage” companies we find that employees below the age of 25 have comparatively lower perceptions of their workplace. Invariably, most of these companies are dominated by older managers who demand respect from those lower in the hierarchy. This may not be apparent at surface. These managers would rather blame the “new generation” than introspect how they need to behave differently.

In contrast, an upstart like Lemon Tree group of hotels will not only have their male employees sporting a pony tail, but so would their CEO Patu Keswani, who calls himself the “Chief Lemon” of Lemon Tree.

3. Management shows sincere interest in me as a person , not just an employee

You can be sure you are in a great place to work® in an economic downturn. Organizations which used to spend large amounts on employee welfare had to cut down on expenses. What the best workplaces have not cut down on is employee caring. A good example of that is the decision by a retail chain to continue to pay insurance policy in order to ensure payment of last drawn salary in case of untimely death of an employee. While concierge services may seem extravagant in a downturn, “Alert Find”- an emergency messaging and contact system can reinforce the message that the organization cares. Some of the best ways of caring does not cost money. One of my favourite example remains Qualcomm’s vacation donation programme, wherein an employee can donate up to 5 days of his/her leave to another employee in case the other employee has a personal emergency and needs additional days off.

4. If I am unfairly treated, I believe I will be given a fair hearing if I appeal

One of the curious paradoxes of our situation is that while we live in a democratic country where right to information, and right to appeal, is enshrined in the laws, the same is not true within most organizations. This is why some of the best workplaces are so appealing to their employees. Over 90 per cent of employees of these workplaces believe that they are treated fairly regardless of their race, sex or religion. To ensure that this is indeed the case, the best workplaces have robust employee appeal process, and employee appeals are not taken amiss. Cadbury, for example has a 24 by 7 helpline for employees available in five regional languages. FedEx remains a role model in this area with their employee appeal process making it as a case study in various forums.

However, just because the above are some of the key drivers it does not mean that they are the most difficult areas to work on. To understand which areas are the ones where an organization starting its good to great workplace journey might find most difficulty, we looked at the areas where there are maximum gaps between the Top 50/25 workplaces and the Bottom 50/25 workplaces ranked on the basis of the employee survey scores alone. Remember, the bottom 50/25 workplaces in our list are not bad workplaces; most of them are genuinely aspiring to be great.

Here are the areas where most workplaces will struggle in their quest to become great places to work®:

1. I receive a fair share of profits made by this organization

An interesting example that comes to mind is that of Kingston Technologies in US. The Organization had a rule of sharing 10 per cent of profits with employees. A sale

of stake meant a windfall of USD 1.5 Billion for the owners. Without much ado they decided to share 10 per cent of that amount with all employees- a princely sum of USD 75,000 on an average per employee – more than one year’s salary for many.

More recently when Leonard Abess sold a majority stake in Miami based City National Bank, he did something similar.

Not too many Indian examples come to mind. One is Godrej Consumer Products, and its Economic Value Add (EVA) based bonus payouts.

2. We have special and unique benefits here

None of the best workplaces are similar. In fact, the only similarity between them is that they are unique. At least that is what their employees believe. Normal benefits have an innovative take in the best workplaces depending on their culture- leave becomes Vacation Donation Program in Qualcomm or Hibernation leave in Sasken. Marriott has hairdressers and tailors at premises, but “bachelor’s day” makes these benefits special for their unmarried employees. The largest cargo airline company in the world FedEx names their planes after employees’ children. Mindtree will move the workstation of a new mother closer to the crèche. It is not the benefit itself, but the identification of the benefit with the company culture that makes it special and unique.

3. People avoid politicking and backstabbing as ways to get things done, and 4. Manager avoid playing favourites

The old bugbear of our managers! One thing is almost certain. Politicking starts at the top in most organizations. In many organizations, this is linked to turf wars between departments. In a recent example, we tracked perceptions of senior management about key aspects of the workplace culture in one organization – in almost all areas while the perceptions about their own departments were high, those for the organization was significantly lower – right up to the top management. Collectively, the senior managers were giving low marks to their organization, but individually, for the same areas they gave significantly higher marks for their own departments!

5. Management involves people in decisions that affect their jobs or work environment

This is perhaps the easiest of the challenges. However, the previous challenges make this difficult or superficial in many organizations. A case in point is a task force set up by an organization to improve employee perception about politicking and favouritism. The task force was headed by the CEO who had the reputation of packing the entire senior management with people from his previous organization. Though the task force had members from across different levels in the hierarchy, there was no constructive debate. The task force quickly concluded that the problem was that of “inadequate communication.” The CEO addressed a number of Town halls where nobody asked any questions, and the action plan in this area was thought to have been implemented!

In the next few weeks and months we at Great Place to Work® Institute would focus on some of the above areas to understand at depth, not the best workplaces, but how good workplaces have dealt with the above areas successfully in their quest to become great places to work®. Do send your examples and share your experience with me.

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