

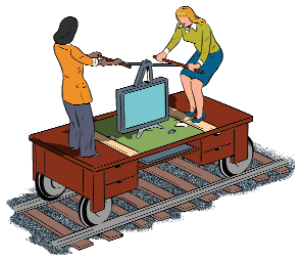
THE BEST WORKPLACES IN CANADA

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BY LAURA BOGOMOLNY, PETER EVANS, ANDY HOLLOWAY,
ZENA OLIJNYK, ERIN POOLEY AND ANDREW WAHL

BEST WORKPLACES



You've heard executives say it countless times: "Employees are our most valuable asset." But how many times have you actually believed it?

At the best workplaces, managers don't just pay lip service to the importance of their employees. They prove it. And they don't do that with rooftop patios and foosball tables, free pop, discounted gym memberships or even great dental and eye-care benefits. Instead, they prove employees are important by forging a workplace culture of respect, fairness, camaraderie and, above all, trust.

Those are the findings of more than two and a half decades of research by the Great Place to Work Institute in San Francisco, a management consultancy that has created the global gold standard for evaluating workplace cultures: the Trust Index employee survey. The Great Place to Work Institute Model has served as the basis for *Fortune's* ground-breaking annual list of the 100 Best Companies to Work For in the U.S. since 1998, and is now used in 28 other countries. In 2005, some 500,000 employees were surveyed at about 3,000 companies worldwide—and the institute is now looking at a global list of multinational best workplaces.

And now, for the first time, that global gold standard has come to this country. The Great Place to Work Institute Canada, founded by the workplace experts at the Graham Lowe Group in Kelowna, B.C., analyzed nearly 10,000 employee surveys across Canada during the fall of 2005.

The results are our Best Workplaces in Canada 2006: 30 organizations—both large and small, publicly traded and private—that are profiled on the following pages. Together, they demonstrate what it takes to create a truly great place to work.

For managers, it's not just a matter of being able to hire and retain the best workforce—although that plays a big part. Companies that have been recognized as having leading cultures by the Great Place to Work model consistently outperform their peers on the stock market over the long run. The Russell Investment Group builds annual indexes of companies based on the *Fortune* Top 100 lists. If you had reinvested equal amounts of money every year in the publicly traded companies on the *Fortune* lists between 1998 and 2005, that investment would have grown at an annualized rate of 14.75%,

versus the S&P 500's 4.8% return over the same period.

The key is that the Great Place to Work model zeroes in on what employees really want: a workplace that they trust. Unlike other lists that try to identify great companies to work for by placing an overriding emphasis on compensation packages, human-resource practices or employee perks, the Trust Index is based on extensive employee surveys. Through a series of 57 questions—and two open-ended opportunities for participants to provide candid remarks—the model reveals the true nature of a company's workplace culture.

Here's how it works. The Great Place to Work model is designed around five broad themes that influence trustful relationships in a workplace: credibility, respect, fairness, pride and camaraderie, each of which is further defined by different qualities. For example, a positive response to the statement "People here are willing to give extra to get the job done" reveals one component of a respondent's sense of pride, while "Management does a good job of assigning and co-ordinating people" is but one element that underscores credibility in the workplace (for the full methodology, see page 66).

"Trust between employees and managers is the distinguishing criterion in a great workplace," says Amy Lyman, co-founder of the Great Place to Work Institute in San Francisco. "If management is credible, for instance, that means they have to share information, they need to be competent about how they manage people in the business, and they need to have integrity."

How a company achieves a trustful workplace culture—the

practices its managers use to share information, for example—will be different depending on the kind of business it is. But research shows that for employees to find management credible, and therefore to trust it, information must be shared effectively—that much is universal.

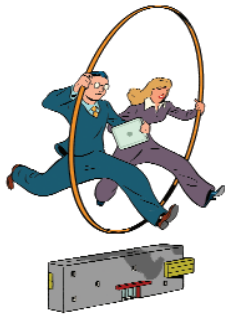
Previous efforts by consulting firms to benchmark "best practices" that could be incorporated into other companies often flopped. Lyman chalks it up to how important it is for any given practice to fit a company's individual culture. "You have to find your company's specific way to do it," she says. "You really need to know what the culture of your organization is, and to be very clear about that."

That's not to say a high standard of benefits and compensation won't help. But the Great Place to Work Institute's research has shown the value of those things diminishes as a workplace moves from just being good to great—it's no longer a question of high compensation, for example, but *fair* compensation in a job that is also fulfilling in other ways. Lyman says the benefits at companies near the top of best workplace lists are often distinct, but they're not all that different from other organizations. "What they do in great workplaces is create a culture in which people are able to take advantage of all those benefits," she explains. "And they create a culture that's so special, people associate it with the benefits."

Sometimes, a company doesn't need to offer a big, formal health-care package to prove it cares for its employees'

The global gold standard for evaluating workplace culture hits Canada

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well-being. Consider Back in Motion Rehab Inc., a small chain of rehabilitation and disability management clinics, based in Surrey, B.C. When one member of its staff was diagnosed with breast cancer in early 2005, the company did not yet offer health benefits. Nevertheless, management supported her financially until she was well enough to return to work. That kind of genuine caring earned deep respect from employees (see “Back pack,” page 70).

You’ve probably never heard of Back in Motion—it has only 57 employees. In fact, several of the names on our inaugural Best Workplaces in Canada list will be unfamiliar. That’s because the survey was open to any organization with more than 50 employees. Canada, of course, is a nation of small businesses: the vast majority of people work in companies with less than 100 employees. “In a dynamic, truly innovative economy, today’s small firms are going to be tomorrow’s medium-sized and next year’s large-sized firms,” says Graham Lowe, co-founder of the Great Place to Work Institute Canada, and a 30-year expert on workplace practices. He argues there are many lessons to be gleaned from organizations of all sizes. “The small firms have something to teach the large firms, and vice versa,” Lowe says.

Lowe points to how the Great Place to Work survey model emphasizes concepts that are often big reasons why people prefer to work at small companies—like opportunities for close collaboration or a sense of community. “Those are the natural properties of a high-performing small organization,” he says. “And big organizations go to great lengths to try and emulate those characteristics.”

The No. 1 finisher in our Best Workplaces in Canada list—2,000-employee B.C. credit union Vancity—demonstrates it’s possible to strike a happy balance between the big and the small (see “On the money,” page 68). CEO Dave Mowat emphasizes that one of the most important ways a company can build a great workplace is through simple, genuine gestures. Vancity, for instance, distributes Starbucks gift cards to managers, who hand them out to employees who deserve a bit of recognition. It’s

not about the coffee, of course. It’s to remind people to regularly say two very important words: *thank you*. “You’d be amazed at how managers in some places don’t do that,” says Mowat. “Lots of times we don’t really know where the great results are coming from. But the employees all know. What managers really need to do is quietly—privately—go and talk to the three people who put 80% of the volume through. They’re not looking to be singled out, but they sure want you to know.” Likewise, Vancity managers are encouraged to phone or write a note to the spouses of staff who are putting in extra hours. “We’re all human beings,” says Mowat, “and we need to hear how we fit in and how we’re part of the success of the organization.”

Workplace culture, Lyman says, is increasingly being identified as the competitive advantage that it is. “More companies are recognizing the importance of it, the value of it,” she notes. “It helps not only the social element of the workplace, and the community, but boy, does it ever have an impact on the bottom line. That has fuelled a lot of people to say, ‘I really should be paying a lot more attention to this.’” Our Best Workplaces in Canada package is a very good place to start. ANDREW WAHL

METHODOLOGY

To choose the Best Workplaces in Canada, we rely on two things: our evaluation of the culture of each organization and the opinions of the organization’s employees. We give the latter more weight: two-thirds of a company’s total score comes from employee responses to the Trust Index survey (comprised of 57 scaled and two open-ended questions) created by the Great Place to Work Institute in San Francisco. The survey goes to a minimum of 400 randomly selected employees from each company (or all employees if less than 400) and asks about such things as credibility, fairness, respect, pride and camaraderie.

The remaining third of the score comes from our evaluation of a culture audit submitted by each company. It examines demographic makeup, pay and benefits programs, and how the companies themselves say they exhibit the core elements of the Great Place to Work Institute Model, which is based on trust: credibility (two-way communication, competence, integrity); respect (support, collaboration, caring); fairness (equity, impartiality, justice); pride (in personal job, team, company); and camaraderie (intimacy, hospitality, community). Culture audits are evaluated by a team of trained evaluators. Individual evaluators score each submission and present the company or organization to the team, providing a rationale for their scoring. Team members ask questions, weigh the scoring against other submissions, and ultimately come up with the final score.

After evaluations are completed, our team conducts various searches to ensure that the organization has not been involved in any unethical business practices in the past year. If news about an organization comes to light that may significantly damage employees’ faith in management or suggest that they would not be a good example of a great place to work, we may exclude it from the list.

This methodology is identical to that used by the Great Place to Work Institute to compile lists of “best workplaces” and “best companies to work for” in 29 countries around the world. About 110 organizations contacted us to participate; of them, 60 finished the survey process.



THE DEADLINE for applying for next year’s Best Workplaces list is July 31, 2006. You can link to the Great Place to Work Institute’s nomination form at www.canadianbusiness.com/bestworkplaces.