

CHAPTER 1

THE ANATOMY OF AN EXCUSE

You are a manager. Are you good at your job? What if you could be even better? You can create a smart strategy, offer amazing products and services, and be operationally efficient, but unless you can consistently bring out the best in your people, none of that matters. How do you get people to bring their very best to their work and go above and beyond just what's required? You create a great workplace.

There is no more certain avenue of increasing productivity, managing employee engagement, or creating the conditions for collaborative creativity than to create a great place to work. Most successful, experienced managers understand this truism well. The other, equally true statement is that *every* manager and *every* organization can create a great place to work. The trick is in clearing out the obstacles that might keep you from creating such an environment. This book will show you how.

Both of us are affiliated with the Great Place to Work® Institute, a global research, training, and management consultancy. It is best known in the United States for compiling *FORTUNE* magazine's annual list of the 100 Best Companies to Work For®, although the Institute operates and publishes similar lists in over

forty countries. As the largest annual study of workplaces, we survey millions of employees in thousands of companies around the world. And we have been engaged in this research for twenty years.

Managers who casually read “best employer” or “great workplace” lists such as *FORTUNE*’s 100 Best Companies to Work For® may deem that, while inspiring or interesting, that lofty of a goal—indeed, that type of work environment— isn’t for them. It’s as if the workplaces that they read about are fictional, and the list is a way to escape the confines of their own dull organizational life. In actuality the organizations are real, but the workplaces are not perfect. Rather, they are models of a great workplace environment, and while we celebrate their recognition and success, we know that a great workplace is not about list membership. It is about *you*, the manager, and while we hear your excuses, we don’t buy them.

Don’t get us wrong. We hear you that there may be a lack of commitment and resources for such an effort, or that you are tossed around by the push and pull of organizational demands, that the type of industry or functional area in which you work is different, and so on. It’s tough. But, as we will see upon closer scrutiny, these challenges aren’t insurmountable if you are dedicated to overcoming them.

Trust our experience and that of consultants like us in Great Place to Work® Institute’s forty offices around the globe when we say that “*every* manager can create a great workplace.” We have worked with managers responsible for all types of functions such as research and development, manufacturing, customer service, logistics, and sales. These managers come from a diversity of backgrounds in terms of nationality, gender, age, tenure, work history, ethnicity, education, and so on. Some are new, first-time managers and some have been managers for decades. Some are front-line managers and others senior executives. Managers from

all across this spectrum have created great workplaces. What this means is that if you have the privilege of managing people, there is no reason you can't create a great workplace.

We also know that any *work group* in any *organization* in any *industry* can be a great workplace. Some of the organizations that make our lists are large technology firms, like Google and Microsoft. Others are industrial firms like Lincoln Industries or Devon Energy. Some are retail operations like Nordstrom or Starbucks and are geographically spread out, and others have a single office like XPLANE. Some are multinational like The Coca-Cola Company, and others are based in a single country, like Futurice in Finland. They cut across industry, size, location, and business model. Think of a company characteristic, and we can find at least one that is a best company somewhere in the world. So, if *any* company can be a great workplace, *every* company can—yours included.

Are there legitimate obstacles that make it a challenge to fully engage your workforce? Sure there are. And we will examine them in this book along with ways of dealing with them. But most of the reasons we hear from managers as to why they cannot create or sustain a great workplace are hurdles, not brick walls.

We know you want to be a successful people manager—you would not still be reading this book if that wasn't the case. If you've run into problems, it's not a lack of desire or interest or hope. We believe that examining perceived obstacles in a clear-headed, no-nonsense fashion is an important step in determining the right course of action.

In order to help you overcome whatever obstacles you may find in your path, we visited ten recognized "best companies to work for" that would offer insight into how they did it. We purposefully selected each of these companies for the type of organization they are. We visited them and met with line managers, HR leaders, and top executives. We researched them

thoroughly in advance, examining information we had previously collected from them, as well as reviewing their annual reports and websites. The companies we highlight throughout this book are further described at www.mygreatworkplace.com, but many of them need no introduction:

- Accenture
- Alston & Bird
- Balfour Beatty
- The Coca-Cola Companies
- Devon Energy
- Mayo Clinic
- NetApp
- Teach for America
- Whole Foods Market
- Zappos

We utilized what we learned from these organizations and their managers, along with other research, data, and best practices from the Institute's databases, and our own consulting experience to provide context, insight, and solutions for you as you consider your own workplace.

WHY IT MATTERS

As we noted at the top of the chapter, having a great workplace is good for business. Several studies make clear the business case for increasing trust and creating a great workplace for employees. Some of them even use the best companies lists as their research sample. Faleye and Trahan in their article in the *Journal of Business Ethics*¹ looked at employee productivity, total productivity, profitability, and value. "Consistent with the event study results,"

they wrote, “we find that the Best Companies [relative to control panel of S&P 500] outperform comparable firms on all measures. These results are highly robust.” The work of Alex Edmans at the Wharton School provides further evidence. In his study, Edmans analyzed the relationship between employee satisfaction and long-run stock performance. He utilized the *FORTUNE* 100 Best Companies to Work For[®] list over an eight-year period, and even when controlling for other factors (such as risk or industry), found that the 100 Best portfolio earned over double the market returns by the end of 2005. High-trust workplaces consistently outperform lower-trust workplaces.²

Indeed, when comparing the best companies to work for with other companies in the same industry, we find that the best companies outperform their peers consistently with regard to financial performance, along with decreased absenteeism, on-the-job injuries, voluntary turnover, shrinkage (in retail), and so on. The graph in Figure 1.1 highlights annualized returns of the publicly traded best companies compared to the S&P 500 since the first

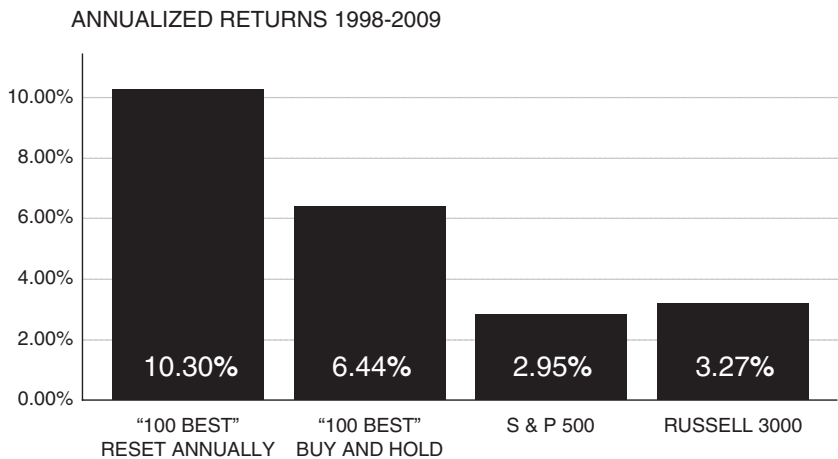


Figure 1.1 100 Best Annualized Returns

FORTUNE list was published. More information about related studies can be found online at www.mygreatworkplace.com.

If you still don't feel like you are the one to create a great workplace in your work group, don't stay stuck. By our measure, you are held back by a combination of two things: an error in framing combined with one or more material challenges in your environment. Both need to be addressed in order to move forward, but it may be helpful to break them apart to understand what you are up against.

NO EXCUSES

This book is called *No Excuses*, because we believe that great workplace leaders take a “no excuses” approach, and we want to help you take that approach.

Within any excuse is a bona fide or material challenge, along with the framing stuff that prevents you from staying out of your own way. While the challenge you may be facing is real, it is not insurmountable. But your attitude and your sense of organizational identity—the way you *frame* your challenge—can fool you into believing it is. Your attitude is the internal frame you need to create a great workplace, and your organization's identity is the best way to frame your external environment. In a way, these two tasks are prerequisites to conquering the material challenges that actually do exist in your environment, so we need to deal with them first.

The Attitude

Great workplace managers have a no-nonsense attitude. They believe that creating a great workplace is both necessary and possible, and they hold themselves responsible for doing so. As Walter

Robb, Co-CEO of Whole Foods Market, tells us, “I never like it when people don’t take responsibility. It should always be about what can you do, not what can’t you do.”

This is not to say that doing so is easy or straightforward, and there certainly is no shortage of sleepless nights or heart-wrenching decisions in these managers’ lives. But great managers are resolute and confident with periods of being doubtful and indecisive, not the other way around.

As we’ll discuss in Chapter 2, managers of great workplaces also have productive beliefs, thoughts, and schemas. They avoid cognitive obstacles to making productive changes in their work environment. Specifically, they believe that success is a product of hard work and effort rather than luck or chance; they have an internal locus of control. Great managers avoid overgeneralizing; they see the nuances in their work environment and they aren’t seduced by best practices that just don’t fit. Great managers have high aspirations; they don’t anchor their own judgments of success too low. And last but not least, great managers are comfortable taking the long view; they don’t discount the value of a long-term gain in favor of a short-term win.

The Identity

Equally important is clarity about the organization’s identity. Think about any major decision you have ever made and this will ring true. In making that decision, you want your head to be clear; you want the right attitude. But that alone won’t suffice. Without also considering your identity—your values, your responsibilities, and your goals—you cannot make a good decision, let alone dedicate yourself to it. The same is true in your organization. Any decision succeeds or fails with regard to how well it reflects and reinforces the best of the organization’s identity. When challenges

arise, sometimes they do so simply because the manager has lost sight of the organization's identity, not because they are truly insurmountable obstacles.

Remember that great workplace leaders can't set out to build trust independently of the business activities they must carry out on a daily basis. We've seen leaders create task forces and strategic goals and whole departments dedicated to creating a better workplace—to building more trust. But, without giving trust a context, it just doesn't grow. A stand-alone great workplace initiative may get some attention for a while, or serve as a convenient retort when justifying an employee expenditure request, but it doesn't really take hold as part of the fabric of the organization until it is woven into the vision and values, and carried out in the execution of the strategic direction. Keeping these markers of identity top of mind is paramount.

Chapter 3 gives you insight as to what it takes to have a strong sense of organizational identity, and how you might reinforce it over and over again through the way you plan, structure, and execute on your work group's tasks. While an important prerequisite for any great workplace, a strong sense of identity is also necessary to provide ballast as you are attacking the real challenge. When addressing an issue that makes your great workplace tough, you are going to flail and falter, and you will likely get exhausted trying to gain momentum at the outset. A clear sense of your organization's identity creates some stability against which to balance the uncertainty of addressing the big obstacles.

The Challenge

Factor the attitude and the organizational identity out of any excuse and you get a material challenge. In our role as consultants, we too are intimidated and humbled as we help managers

get real about facing them. But we are armed with an understanding that the best places to work also face challenges, and they have overcome them. And we believe you can too. Chapters 4 through 9 help you understand how great companies have overcome challenges, and where you might start in doing the same.

In Chapter 4, we'll talk about bad habits and the challenge of inertia that has a bit to do with attitude, but a lot to do with how to put focused effort into shifting behaviors to align better with great workplace ideals. For instance, promoting people based upon tenure long after that is the only way to gain expertise is a bad habit, and an obstacle to building trust. Failing to change habits is a behavioral obstacle from which we'll help you to break free.

In Chapter 5, we'll talk about strategic and operations constraints, and the organizational politics that often travel with them. You know the ones: roles, goals, boundaries, authority, and politics. Wearing multiple hats, addressing competing goals, sharing responsibility with disinterested others—all are hindrances to thinking strategically about your workplace. But none are insurmountable. In fact, the key to your success as a manager is to figure this out—how to be in twelve places at once, while producing superior work, *and* creating a great workplace.

In Chapter 6, we talk about larger organizational and industry forces. As companies in a specific industry go about addressing issues in the marketplace, industry standards take shape that can be at odds with creating a great workplace. It should come as no surprise that every single organization in every single country that has ever made our list of great workplaces has constraints that are hallmarks of their industry. Their leaders just know how to overcome them. You can learn, too.

Unlike the more static challenges that are a consequence of your unique operational environment or your larger industry, disruptive events are more acute, and we deal with those in

Chapter 7. Often, these excuses are prefaced by, “It’s just not the right time, because . . .,” followed by lamentations about layoffs, mergers and acquisitions, and leadership changes. We argue that the tough times are actually some of the most important times to build trust, particularly when the alternative is to break it. It is always the right time, and believing otherwise is an excuse.

Remarkably, another great workplace excuse archetype is the people themselves. In Chapter 8, we talk about how to address the real challenges that come from the people who are already on board in the organization, perhaps before a great working environment was a consideration. We’ve heard that a great workplace will never fly because employees have an entitlement mentality, they live paycheck-to-paycheck, they work part-time or casually, they have low education levels—you name it! Funny that seeing employees as people is one of the hallmarks of a great workplace, but these excuses reflect a tendency to treat them as a group, and therefore an obstacle to a great workplace. As Chip Conley, founder of Joie de Vivre hotels, said in his 2009 *Huffington Post* blog,³ “Our people will never aspire to more than a job if all they focus on is the fact that they clean toilets in a hotel. But when one sees the broader purpose of what they do, they start to realize their work can fulfill in ways they hadn’t imagined. And, the positive result of being in a workplace full of happy fellow employees is noticeable to everyone who comes into contact with an organization.” No matter the nature of your workforce, a workplace exists that brings out their best work.

Last but not least, we also address the challenge of leadership in Chapter 9. Probably the most difficult question we are asked is “Can a workplace be great if top leadership is not on board?” The frank answer is that we’ve never seen a great place to work that didn’t have the belief, support, and buy-in of its senior leaders. However, we’ve also seen great departments, locations, and lines of business that exist within an organization that as a whole isn’t

really all that great. In Chapter 9, we'll give you everything we've surmised from our experiences with great workplaces and managers who lead them about how to negotiate mixed messages that come from on high.

HOW TO USE THIS BOOK

As you determine how you can best use the material in this book, it may be helpful to review a few of the key ideologies that guide us when we consult with companies hoping to improve the trust, pride, and camaraderie in their workplaces.

Great Workplaces Bring About Better Societies

Though we work hard to demonstrate that there are tangible gains in productivity, time, and money when trust is built, we truly believe that great workplaces bring about better societies. In short, building more trust at work (or in other organizations you lead) is the right thing to do for families, for communities, and for the world at large. When people have work relationships characterized by trust, pride, and camaraderie, their potential for success is greater. And when people feel like they've succeeded, they are more present and giving with their families, more engaged in community activities, and more friendly to the barista who makes their morning latte.

Suspend Your Disbelief

If ever you feel that our perspective on this is a hindrance, we ask that you attempt to suspend your disbelief. Even if you can't get

on board with our “right thing to do” notion, can you at least agree that it’s not the *wrong* thing to do? And, if that doesn’t work for you at some point, skip the section you are reading and move on. We promise we won’t spend too much time in the land of milk and honey before returning to the confines of the business world and its challenges, both of which we know you are well accustomed to.

Organizations Are Complex, Living Systems

Organizations are complex, living systems. As such, they will constantly pull toward equilibrium and consistency. Any disruption in the system, including changing your beliefs or behaviors to align with a great workplace, will usually be met with some resistance. Simply put, the only way to sustain the change long enough for it to become the new equilibrium often means changing the adjacent aspects of the system. People, processes, systems, business models, strategies, and organizational culture need to be aligned in order for the change to hold. Thus, if you decide to hire for culture fit, you need to change the interview processes, the interview skills and approach of your managers, the human resource information system (HRIS) that compiles candidate information and ratings, and the performance appraisal model that reinforces those cultural fit characteristics. Of course, all of this assumes that you know what your culture is all about in the first place, and that you are deliberately reinforcing the aspects of your culture that drive productivity.

The result is that moving from a mediocre workplace to a good one, and then from a good workplace to a great one, is never just about changing one thing, or even a small set of things. It is

about taking a systems perspective on why the culture is the way it is, how it is reinforced, the business results it produces (or hinders), and the competing priorities associated with it. It's just as much about removing obstacles and changing perspectives as it is altering behavior and creating new ways of working. It's just as much about unlearning as it is learning. We'll guide you through the trees as much as possible, but you should always keep the forest in mind.

What Best Practices Are and Are Not

Best practices are child prodigies. Like a five-year-old piano maestro, best practices are very good at a few things—they inspire, they illustrate, they clarify. But they are not adept at many other things necessary for a company's survival, let alone improvement, when it comes to a great workplace. Consider the following:

- *Best practices aren't recipes.* They should never be adopted wholesale, and they should be evolutions rather than installations. But they can provide us direction and aspiration as we put our own practices into place. Thus, don't roll out an online suggestion system to employees who spend no time in front of computer screens, and refrain from making salaries transparent until you are sure they are fair.
- *Best practices aren't mandates.* They should never be considered "must haves" when it comes to creating a great workplace. But they should help us to consider the nature of our own business model and how it might support and be supported by a practice like the one being articulated. For instance, child care centers or subsidies are seen at many workplaces, but not all of them. The key is that where they

are present, they meet a real need of the employees and help to support the trust relationship by providing caring and support.

- *Best practices aren't goals.* They are a means to an end, which is building more trust, pride, and camaraderie in the workplace. When your goal is to launch and maintain a practice like new hire celebrations, you are missing the point. The goal is to make new employees feel welcome and to increase the camaraderie in the work group. That's the goal, not a practice put in place to create it. Frankly, the practice may or may not stand the test of time.

As you read this book, you'll encounter many best practices. We believe that we grow and learn from understanding and conversing about what goes on in great workplaces. We believe that best practices can be incredibly useful to you on your journey . . . when used correctly. On our website, www.mygreatworkplace.com, we'll walk you through how to analyze a best practice in the context of your own work environment, and how to distill the relevant bits for your use. We'll give you an idea of what falling into the trap of treating them like recipes, mandates, or goals looks like, and how to pull yourself out of it. But you need to be vigilant about your use of best practices, and how they are used in other parts of your organization.

Trust Is the Foundation

Last but not least, we believe trust is the foundation. We don't use words like *engagement* to describe a healthy workplace, because engagement is a *result* of high levels of trust. Not the other way around. If you want to influence the results on an engagement survey, you need to do something with your employees and not

to your employees. If you want to have a reciprocal relationship that shares both the responsibilities and the successes in building a desirable culture and a productive work environment, you build a strong trust relationship, which is a two-way street. Your job as a leader is an important one. You shepherd, steward, facilitate, and champion a great culture. But you don't create it. Rather, you enable everyone to do so.

Using language and ideas that derive from the above key perspectives, you'll find scores of best practices, comments from managers at the best places to work, and our advice. We'll speak like a personal consultant would, showing our understanding of the obstacle by talking about its nature, origin, and impact but then providing thoughts and suggestions for moving past it. We'll illustrate how specific practices can be tailored or taken in spirit and applied to your organization, and we'll provide the most targeted suggestions from the managers we've interviewed. We hope you find yourself in a conversation with us as you read, and that you'll take that conversation to Twitter, LinkedIn, and email if you want us to get even more specific.

As with any good conversation, you may need time to digest the information you receive, match it up with your own experience, and determine which parts of it are the most informative and useful. We invite you to do that. Perhaps you'll skim the book on a bi-coastal flight, but come back to the chapters you find most relevant and engage more deeply with them. We encourage it. Or perhaps you'll be more structured, reading and reflecting deliberately on each chapter. Be our guest.

At the very least, we suggest you read and reflect upon the next two chapters before being more selective. Chapter 2 ensures that your attitude is a productive one, and it helps to clear out the cobwebs of what the late motivational speaker Zig Ziglar is famous for calling "Stinkin' Thinkin'." Chapter 3 asks that you

take a hard look at your vision, values, and strategic imperatives. Make sure they provide the elusive mix of stability and inspiration that any workplace culture change needs.

Excuses are really just difficulties dressed up in cognitive challenges and a lack of clarity about your organization's identity. Adjust your attitude, understand and align with the organization's identity, and those difficulties become challenges that seem a bit more manageable. They won't be easy by any stretch, but we know you can overcome them. Begin with this: On the other side of the challenges is a great workplace, and there is no longer an excuse to stay paralyzed in anything but.