

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 long-time 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 backwards.”ⁱ

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.”^{ii,iii}

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 work.

Chambers calls that “culture,” or what you might call the queen piece of 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 gets the importance of a great culture. But he had a sermon about the emerging digital economy that shook people up.^{iv}

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 U.S., 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 over 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 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

Great Place to Work Trust Index Employee Survey®: One of the World's Largest Employee Surveys

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

Place to Work is one where employees trust the people they work with, have pride in the work they do, and enjoy the people they work with.

Our thirty years of research shows 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.

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 year 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 doing well by their people also serves the business.

A New Frontier

But this general formula isn’t good enough anymore.

The chess game has changed, and our newest research shows 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 from to hold the same values, and will judge them harshly not just if they fail consumers, but if they find 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 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. And, on the flip side, we found 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 did this 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 p. xx).

In the emerging economy, organizations 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).

Figure 1

Portrait of A Great Place to Work For All



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

Apart from reflecting on the make-up 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—not 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. And 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. Across 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 paints 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, and builds 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, hyper-transparent, technology-driven landscape. We provide a detailed description of the six elements of a Great Place to Work For All noted above. 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. Here, we show 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 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, “Leading to a Great Place to Work For All”, shifts attention to the “For All” leader profile and 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 that 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 improvement in 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 first began exploring the idea of a “Great Place to Work” three decades ago, the idea 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. But now 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 baseline 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.

Introduction

ⁱ John Chambers, interview by Ed Frauenheim and Jessica Rohman, Great Place to Work[®] Conference, Great Place to Work, May 25, 2017.

ⁱⁱ Jay Yarow, "The Greatest Tech Companies In History, Period." *Business Insider*, January 24, 2012, <http://www.businessinsider.com/the-greatest-companies-in-the-history-of-technology-period-2012-1?op=1> (accessed August 4, 2017).

ⁱⁱⁱ Jena McGregor, "Cisco names John Chambers's successor," *The Washington Post*, May 4, 2015, https://www.washingtonpost.com/news/on-leadership/wp/2015/05/04/cisco-names-successor-to-longtime-ceo-john-chambers/?utm_term=.000ef5e7b208 (accessed August 4, 2017).

^{iv} John Chambers, interview by Alan Murray, Great Place to Work Conference, Great Place to Work, May 25, 2017.