



**Every company wants to be one.  
Every employee wants to work for one.™**

## **The Secret To**

# **Building a Best Place To Work Company**

**To Achieve Your Strategic Plan,  
Hit Your Revenue Targets Every Year, and  
Retain Your Most Valuable Employees.**

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By Daniel F. Prosser

***“Companies with the best people managers deliver nearly twice as much value to shareholders as their average competitors.”***

- Watson Wyatt Worldwide **Human Capital Management Index**

### **The Best Places To Work Movement**

Nearly every CEO in North America and Europe is at least somewhat familiar with the “Best Companies” movement. Countless companies are exploring what it takes to become a ‘BEST Place To Work’. Thousands of people are working at it. Our own research tells us that most CEOs with a desire to improve performance want to know how being a BEST Place To Work can help them get that improvement. And every employee, given a choice, wants to work for a winning company like that.

It’s much more than a passing fad. Business leaders have maxed out their ability to increase payroll and benefits. They are seeking to gain a competitive advantage through better hiring, reduced turnover, and greater continuity of their workforce. The last frontier for finding breakthrough performance is the workplace.

The chief motivator in all this is the flood of companies experiencing major fallout of commitment and loyalty from their employees. Tardiness is increasing; sick-leave is common; job security and high pay are not the motivators they once were.

Today, young people are watching as their parents, loyal to their employers, are being downsized and put out of work. We are dealing with an expanding workplace of highly disengaged employees. Imagine the impact on future

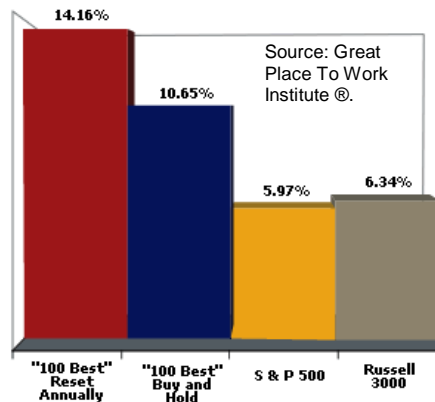
working generations – and it’s only going to get worse as it gets tougher to find high caliber employees.

55% of chief executives interviewed say that erosion of accountability and commitment has a major negative effect on corporate performance. Accountability and commitment is being replaced by apathy, entitlement, inertia, cynicism and distrust.

According to Gallup® Corporation:

- **Only 26% of workers are engaged** in their work (loyal and productive).
- **55% are not engaged** at all (just putting in time)
- **19% are actively disengaged** (unhappy and spreading discontent)

Time and again, we have observed the direct relationship between *best people practices* in a company and *best performance results* on the bottom line. A workplace with both delivers increased value that is missing in most companies. Published in 2004, the Watson Wyatt Human Capital Management



**“Superior human capital management is a leading – rather than lagging – indicator of improved financial success. This finding is more important now, during times of economic uncertainty, than in boom times. Why? [Because] lead indicators help you get ahead of the curve.**

Excerpted from “Human Capital Index®” Watson Wyatt Worldwide

Index™ may be as important for what you will not find in it as for what you will find: Contrary to many managers’ beliefs, It does not say that merely creating a fun work atmosphere leads to improved performance in the workplace. Watson Wyatt finds a measurably significant connection between a company’s bottom line, and solid core values, practices, and principles of its leadership.

It's estimated 95% of organizations have created some sort of strategic plan for their next year. Yet, in those organizations that do have some sort of plan, over 87% of those organizations will not fulfill on it. Rarely is it the plan’s fault. Either the plan gets created and employees neglect to take the actions necessary and

agreed to, or managers don't follow through in holding employees accountable for the actions they promised they would take. Or, most likely - both.

Engaging and motivating people to take bold actions in the workplace is one of the most challenging aspects of business leadership – that is, getting people to do what's needed, when it's needed, and then to complete what was actually promised, as it was promised.

Moreover, we're finding that employee trust in the workplace is tentative at best. Leaders are lucky if they get more than one chance to build that trust with employees. Lose that one chance and you may never get it back again.

In high performance organizations leaders and their leadership teams work to develop the skills that create a culture of performance **and** capture the hearts and minds of employees.

Yet, more often than not business owners and CEO's unintentionally undermine and sabotage their own talented employee's performance by continuing to relate to employees as if there's an obligation to the company based on a quid pro quo employer/ employee relationship. Or, employers expect, and sometimes demand, employees to buy into each new proposed business plot dreamt up by leadership, without questioning or challenging its relevancy to the organization's mission.

Challenger Gray & Christmas, has consistently tracked all CEO corporate departures in the U.S. that are mentioned in press releases and news reports. While apparently due to the slowing economy in 2009, there are slightly fewer departures than in years past, in 2006 there were an astounding 1,478 CEO departures, shattering the 2005 record of 1,322. Leaders falling from grace are often due to the way they relate to their employees and the resulting push back through lack of performance. It might make sense if you're a CEO or senior leader, to conclude that when you're depending on your employees to get the

job done, their care and emotional feeding may your best bet to assure they will reciprocate by taking good care of what you want.

Leadership today must act more responsibly for what and how the message is being delivered and subsequently acted upon. When resentment in an organization builds, employees either withhold their efforts in covert retaliation, blatantly undermine performance, or they leave taking their knowledge and skills with them. When resentment builds – trust is lost.

### **Where is this all going?**

Mary Williams Walsh (New York Times) wrote, "Companies are searching urgently for new ways to foster loyalty and commitment." And, "workers have little institutional loyalty to give. One survey found that nearly half of all managers over 35 speak with headhunters quarterly".

"The promise of employer-of-choice campaigns (Best Places To Work programs) may provide some answers." Walsh accurately asserts that the concept is borrowed from marketing, and is a form of branding. "Position your workplace in the labor market, as you have positioned your products in the supermarket. Know your customers. Convince them you are different. Build brand loyalty... High-profile companies with workplace branding initiatives ... seek to identify traits of model employees, figure out what these people want in a job and see to it that they think they will find it more reliably at their company than anywhere else."

### **Branding YOUR Workplace**

Branding your company, from a workplace perspective is not a new concept. There have been many companies who have tried it. Many have been very successful at it.

The key to *Workplace Branding* is to develop a business model that focuses on building a strong *Business Performance Culture* by implementing a strategic

process that impacts whole-company performance using Promise-Based Management principles.

The principal impact of *Workplace Branding* is the development of a new value proposition of innovation and integrity in the workplace that engages workers and through them delivers greater value to the customer.

When most people think of branding they are usually relating what they know to a concept in marketing that creates an identity around well-known products in the marketplace. Proctor & Gamble is the prime example of a company that has successfully built their reputation around a unique ability to master branding across the entire broad spectrum of their product line-up.

As Walsh states, “branding a company’s workplace can have just as dramatic and lasting effect on a company’s success in the future as product branding does. By focusing first on important workplace strategies a company can reduce turnover by making itself even more attractive and even more appealing to current employees who are already qualified and passionate about doing what is required to improve business performance. And branding can make you’re company more attractive to prospective employees seeking a place where their careers can be more about contributing to the success of the mission, making a difference, and growing as an individual, than about simply a paycheck”. Word gets around when you’ve fostered a great workplace with a focus on breakthrough performance. And, you can count on it getting around as well, when you haven’t.

When done right, building a Workplace Brand adds enormous value to a company’s offerings and to its bottom line.

The principal motivation behind product branding is to create holding power with customers. So why then wouldn’t more employers apply the same principles

inside the workplace to add value and innovation by creating brand-holding power with employees (internal customers)?

### **Branding Human Assets**

The *Watson Wyatt Worldwide Human Capital Management Index*® is significant for its influence on management thinking. And even during the disastrous recession that started in 2007, it has become more critical for companies looking for a leap in performance to pay attention to the way they value their employees. Finding the best people is even tougher because it's not necessarily the best people who are on the street or in the unemployment lines. While warm bodies are still available, skilled employees are getting more and more difficult to find. The Index measures the impact on shareholder value based on the way a company manages its employees. It's fair to say that tens of millions of dollars are spent annually to study this in many organizations with the hope of finding solid solutions for improving the workplace culture -- to have a positive impact on profitability. Yet, many companies still do not yet grasp what it takes to segue from "knowing what it takes" to "doing what it takes" to build a great workplace. There is still a large gap between "Talking about it" and "taking the actions" necessary to make it happen.

### **Workplace Brand Power**

Customers identify with solid brands because they communicate value and set their products apart from competitive brands. Branding points out distinctions about your product that other products don't have. According to W. Chan Kim and Renée Mauborgne in their book *'Blue Ocean Strategy'* (Harvard Business School Press 2005), the most effective branding creates uncontested market space and makes the competition irrelevant. So branding has the distinct power of differentiation when it's done well. People buy specific brands first because they identify with the brand and second because it evokes good feelings about the product and about them using it.

The same is true in the workplace. Research by leading organizations has clearly shown us that employees report they equate certain characteristics of their workplace with either positive or negative work experiences. The way they experience being managed is distinguishable from company to company and the reactions based on employee performance is measurable from company to company as well. Published research shows the results achieved by different companies are reflective of distinct management styles, the management practices used, and the conditions within the workplace. This in part contributes to companies being recognized as a 'Best Place To Work'.

In product branding, recognizable brand indicators capture a customer's attention. To spend brand-building efforts, not knowing clearly and specifically how to promote those brand indicators that most buyers want, can be a waste of time and money. Workplace brands are very much the same— they should be developed to appeal to the kind of people a company wants and needs for its success – and then promoted much like their marketplace brands.

A variety of companies are recognized for having successfully branded their workplaces. Take Coca Cola, or General Mills. These are just a couple of the myriad companies that have become successful marketplace "brand-builders" and who at the same time recognize the intrinsic, bottom line value of creating workplace brands to actually support their product brands. They have created a work environment that acts to attract employees who fit their workplace models with a focus on positively impacting marketplace successes.

These companies realize that **Building A Best Place To Work Company™** is the promise of creating the best opportunity to get the most return out of their investment in the right people.

When you **Build a Best Place to Work Company** you seek to clearly identify the kind of people a company wants to attract, in the process you give prospective employees a view into the "experience of working here". Having a workplace

publicly recognized in your industry as being a top employer or employer of choice, creates a distinct competitive advantage for building an effective organization. On top of that, it's reasonable to expect that if people feel as though they are well treated by their employer in the workplace, they will in turn reflect that in how they deal with customers in the marketplace.

### **'The Best Places To Work' Is A New Performance Benchmark**

As I noted in the beginning there is a "best companies" phenomenon underway at this very moment in America and Europe. The chief motivator is companies who want to be benchmarked against their peers in hopes of being publicly listed and the prospect of gaining an advantage in their efforts to be more competitive in attracting talent.

But, you certainly don't need to be designated by a periodical as a "best place to work company" to actually be a great workplace. Many if not most companies with quality workplaces don't even attempt to get on the list.

However, it's almost essential to build real credibility after going through the rigorous scrutiny of the benchmarking entity, to wear your workplace designation proudly and let everyone know about it. Unfortunately, as in many things public, a Public Relations effort to promote the new workplace brand often becomes old news soon after recognition. Unless it becomes a core focus of your overall organizational development program.

If the purpose of workplace branding is to better position your company for attracting new talent, then you may need to take a new approach to address this in your organization.

### **The Business Performance Culture**

Are you thinking about how your company might benefit from an 'employee engagement initiative'? That's great – but keep in mind that in your attempt to **Build a Best Place to Work Company™**, if you're not paying attention to how you

present it, you run the risk of your branding effort becoming your companies 'change du jour' and losing it's real potential. As most companies learn the hard way it's not just "fun" in the workplace that earns a designation.

There are ten critical, replicable, and teachable **ConnectionPoints™** that are crucial to building a workplace that go beyond providing just a nice place to work. These Ten Dimensions of your workplace are essential core conversations we have uncovered in our research from studying repeatedly recognized Best Place To Work companies. These are the conversations that drive bottom-line performance. They create the foundation for a great workplace.

These core principles of Workplace Branding and improved practices for driving performance go hand in hand.

**Without branding, performance is just another goal met. Without performance, branding is just a hollow and meaningless statement with nothing to back it up.**

You need both and yet most benchmarking programs do not even scratch the surface of this important aspect of workplace improvement. Hence, Best Workplace designees such as those found on Fortune® magazine's '100 Best' list more often than not drop in the rankings in subsequent years rather than rise or sustain their position.

In 2004 The Great Places To Work Institute® based in San Francisco named J. M. Smuckers company as the number one best place to work employer in their Annual "100 Best Places to Work" feature in Fortune® Magazine. In 2005 Smuckers had lost their pinnacle position and dropped to No. 6. By the time the 2006 edition was published, Smuckers® had taken a short bump down to No. 8. In 2007 Smuckers fell to No. 39. In 2008 J. M. Smuckers is hard to find on the Fortune/Great Places Institute List – dropping all the way to No. 47. In 2009 they disappeared from the list entirely. A shocking 100 point fall from grace. What happened? Did they take their eye off the ball? Did they get themselves in a jam with their employees (no pun intended)? One can only speculate that the principles and practices that once made Smuckers a great workplace were

insufficient to sustain a lasting impression on employees and the fall was a result of reduced satisfaction among the troops. That disappointment is common today in companies that have achieved a high degree of visible prominence which was lost when employee's expectations were set and management stops communicating as effectively as before – which often means they stopped listening and soliciting contribution from employees.

In their monumental effort to become a 'BEST Places to Work' Company (no small achievement as anyone who has ever gone through the process knows), these organizations may have violated one of the basic tenets of business.

As Joel Barker, Futurist, in his video "The Business of Paradigms" aptly puts it, "your past success guarantees nothing in your future".

And so thinking, "We've made it, our systems all work fine, we don't need to change a thing", complacency and inertia has a way of setting in. And along with complacency comes mediocrity. Mediocrity is a "dis-ease" – a contextual limitation in the workplace that begins to undermine and sabotage performance. It starts with a hidden limiting and negative paradigm that gains momentum and begins to infect the culture. You can never stop riding the change curve in business. Change is not a one time event – a place to get to. It's a life-long journey that never ends. You must repeat it. You must improve on it. How do you know you have the dis-ease? Your employees will tell you. It will show up in their performance, or turnover, or both.

We're still confident though, *'with a name like Smuckers it has to be good®'*.

Building a workplace brand should guarantee that both the employee and the company are in a win-win relationship. Winning can only mean people and companies are producing a result – performing well - TOGETHER. No company can keep a workplace strategy in place that doesn't focus on adding shareholder and stake-holder value – both - over time. This means that rewards tied to workplace behavior and practices tied to values are geared toward creating a

genuine business performance culture. In such a workplace, people add increasing value to the enterprise's business as stakeholders and subsequently share as stakeholders according to their contribution to an organization's measure of success. Ultimately they earn their right to have some control over how they do their jobs.

These are the critical components we've uncovered in [Best Place To Work Companies](#):

- ***Emphasis on Accountability and Alignment:*** Create a workplace brand culture that attracts people who are accountable and are capable of aligning with your organization's strategy. Valuable employees understand the importance of being focused on producing measurable outcomes that add shareholder value to the business. That requires employees who aren't risk adverse and want to be rewarded for their performance.
- ***Establish and Communicate Clear Business Metrics:*** Use measures and objectives that are meaningful and actually relate to the outcomes that are important for the organization to thrive and prosper. People must be told in what way their actions are valuable to the mission of the company and how their desirable behaviors add value to the business.
- ***Create an Open Workplace:*** Create a workplace where people are not penalized for speaking up and saying what there is to say when something isn't working or doesn't look right. Even if the CEO or leadership doesn't want to hear it. What would you rather have - an employee who told you when something didn't match the declared values of the company or someone who said nothing, and left you to find out for yourself after it was too late? A leader, who thinks they have all the answers, stifles the workplace into unconsciousness. Provide information to people so they understand: 1.) Where they are currently, 2.) What each desirable outcome looks like when they get where they're going, 3.) What's missing to close the gap between 1.

& 2, and then 4.) How well they are doing on the road to being where they promised they would be - with real and meaningful feedback measures. Acknowledgement and Appreciation are the key ingredients for mega-performance supported by a feedback system where the truth gets told about what has been accomplished and also what was promised to be delivered yet hasn't yet been attempted.

- **Emphasize Relatedness in the Workplace:** Build an organization where people learn to communicate and talk to each other. Relatedness internally and externally is the source of all sales growth results.
- **Develop a Strong "Shelf":** What business are you really in and what are the shelf strengths that you have currently and really need to develop for back-up talent to fill key roles and responsibilities in the future? Talk about a succession plan that emphasizes people's growth and development to move into the critical positions. Realize that training in itself surprisingly adds little value to the organization and can sometimes deplete value if people develop, yet you can't use those skills. Growing a talent reservoir that is deep enough and effective enough to build the company is a balancing act. If talent precedes your ability to use it, people can get impatient and look elsewhere for challenges. Look to the future, but not too far to the future.
- **Implement Win-win Rewards:** both sides of the workplace-deal come out ahead when objectives are met and people are rewarded for helping each other (as a team) to reach goals. It makes little sense for a company to prosper on the backs of its employees. There are always two sides of an effective and engaged workplace brand.

### Is 'Building a Best Place To Work' Right for Your Company?

Should you create a business performance culture, through 'Building a BEST Place To Work', for your company? A high performance workplace brand communicates to both prospective and current employees what they can expect it to be like working for your company. And, it affirms that you have a

principled way of conducting your business, as it compels you to define this for your employees. It affirms that you use meaningful business measurement to evaluate how everyone is performing so that they know performance counts at every level within the organization. The communication needs to be such that you let people know you don't just want people to do a job. There are skills needed, and you want people to grow and develop those skills to produce the required business outcomes you are mutually committed to.

'Building a Best Place To Work Company' says more about your commitment to developing great people and that you support them in loving what they do and having what they want in their lives even when they're not at work. This means participating in the rewards of success as well as the disappointments of failure. You're always in it together.

## Summary

### **The Bottom-line on Building a Best Place to Work - for Your Company.**

Companies can follow a number of possible strategies for creating employee engagement and improving employee performance in their organization. Turning the problem over to human resources is one option. That makes sense in organizations where HR is equipped to deliver the 'transformational thinking' needed to alter the context of an organization's culture. That requires a breakthrough approach to transforming what goes on in the workplace. If branding makes sense for your products and services it makes even more sense for your workplace. The only reason to brand products or the workplace is to make the company more successful and valuable. In turn, this success should be shared with those who make it a reality.

Hiring a third party with an outside perspective and a transformational approach to change management may make sense when your inside team needs to be on the team and not facilitating it.

Also keep in mind that emulating the 'best place' workplace models found in other companies might seem like a logical place to start. But modeling after another company can also present problems and new issues that you may not

have anticipated. Unless you want to inherit the same inherent problems that are not visible from the outside, don't waste your time copying other companies' business models – invent your own.

Finally, 'Best Places' favored author **Peter Block** in his powerful and transformative book 'Stewardship' (1993 Berrett Koehler Publishers) points to the need to develop specific attributes in the organization that provide for an exchange between management and employees. Determining what is provided by the company and what the members of the organization are required to do for their freedom to participate in governance is critically important to the outcome. It means performance management must be a real program with a structure in which real promises are made and kept. It means that vision must flow from the top down in the organization so all workplace members can determine what actions they must take to add value to the enterprise. And if it is found that some employees are not meeting performance standards, after spending a practical amount of time coaching and managing performance improvement, some employees need to pursue their life dreams on someone else's payroll. A commitment to people loving what they do and having what they want in their lives doesn't necessarily mean people must find it at your expense. Sometimes it makes sense to free people up to pursue loving what they do – somewhere else.

It's our experience that leaders, often in an attempt to appear to their employees as generous or great managers, keep employees on the payroll who are no longer a match for where the company is headed or continue to pay them more than their skills are worth, believing they are 'taking care of employees' because it is their duty.

This is especially a problem when in times of economic hardship companies' keep people based on service or tenure and lay off the people who may be able to add the most value during the most challenging times. But more importantly, it sends a bad message to current employees that undermines all of

your best efforts at creating a performance culture: “we tolerate and reward mediocrity”.

We believe creating a culture for business performance by focusing on becoming a ‘Best place To Work Company’ is by far the smartest step toward building a sustainable high performance organization that operates with integrity. Just being a great company isn't enough today. You must be known as a great company. Just providing very liberal benefits also may not be the ‘ideal’ solution to workplace branding. But clearly emphasizing the principles, practices, and values as well as focusing on the priorities on which your company was established and gets its competitive energy – that is the critical component that is needed to make your business a ‘Best Place To Work’ with a bottom line that proves it, today and forever. 

If you are interested in finding out more about ‘Building a Best Place To Work Company’, our **ConnectionPoints™ Promise-Based Management System** and our **Accountability Scorecard online system** and what it's Principles, Practices and Values might mean to the performance of your company please call us.

## **Dan Prosser, CEO, the Best Places To Work**

*Author, Speaker, Entrepreneur, Visionary, Advocate*

For Dan Prosser, being an entrepreneur is more than a myth - he lives it every day. Dan began his trip down the road to business success selling encyclopedias door-to-door in the early 1970s’. Coming from a family of business entrepreneurs, he fulfilled on his own vision early - to be a business owner, and began his first successful enterprise at the age of 26.



Fast forward. After selling his two technology companies in 2001, Prosser began showing select business leaders how to be more effective in their thinking, to recover the power they once felt when they first started their businesses, to love what they do and have what they want in EVERY area of their lives. And, how to develop employees into “Highly Effective Teams” that go beyond “great” - to achieve their dreams individually and together.

Prosser has over thirty-four years of experience as a CEO, entrepreneur, mentor, coach, and consultant. Much of that time has been spent building companies and developing great employees. Having faced the challenge of the “leader’s dilemma” himself - *producing results through others* - his work now focuses on bridging the gap between an organization’s comprehension of the leader’s vision and the ultimate fulfillment of it. He has an acute understanding of the paradigms that constrain individual performance and strategy execution.

Today Dan Prosser is expanding his work by building the BEST Places To Work, an alliance of consultants who are being trained to deliver the technology that he has used for over 15 years to help his clients and build his own businesses. He is the developer of the **Accountability Scorecard** a web-based promise-based management software system, and is currently authoring a book 'The Secret to the Source of All Results' due out in late 2009/early 2010.

Dan has authored and published numerous articles about impacting employee results; the way people work, and the way technology and information alter people's behavior. He is active in the Houston, Texas Technology Community, and the Greater Houston Partnership. He speaks frequently to groups, and participates on management boards' including Imago Relationships International. He founded and endowed the Technology Research and Education Center at the University of Houston and received an Honorary Alumni degree from the University of Houston – Hilton College for his work with the college.

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