

## Best firms make employees happy by doing simple things

### Strong leadership is glue that holds corporate culture together

#### WORKPLACE ISSUES

By Sherry Borchelt AND Christine Zmich

Creating a great place to work seems straightforward: make employees happy.

Somehow, it doesn't come so easily for most organizations. Many can't figure out the right ingredients for job satisfaction, leading to higher turnover and unrealized productivity potential. In other cases, the idea seems expensive and difficult to directly connect to bottom-line results.

But how's this for a link: according to the Great Place to Work Institute, the Fortune 100 Best Companies to Work For outperformed the S&P 500 by more than 5 percentage points over a seven-year period.

Companies that are "great places to work" please their boards, but don't necessarily anger their CFOs.

A Fortune journalist went undercover at a few companies on this elite list and saw firsthand that great outcomes don't require high costs.

"Most of the things that make a workplace great turn out to cost employers absolutely nothing," wrote Daniel Roth in his article "Trading Places: What's it really like to work at a best company?"

"The shock of my four stints wasn't that these companies were so extraordinary, but that other companies can't — or just don't — do the simple things that make employees happy. Forget brain surgery; this is barely baking-soda-volcano science. At every stop my fellow workers talked about bosses either leaving them alone or being there for them. They discussed work-life balance, stock options, and sick days."

So what else do these 100 Best know that other companies don't? Fortune said it picks the companies with strength in these areas: credibility (communication to employees), respect (opportunities and benefits), fairness (compensation, diversity), and pride/camaraderie (philanthropy, celebrations).

The tie that binds these areas is strong leadership that builds a collaborative culture, which yields a return on investment.

The company on top of the 2006 Fortune list,

Genentech, knows how to create a culture that keeps employees happy and supports the business strategy. It has proven its success as it tripled its revenues in four years.

This winning company has a collaborative culture, a rigorous hiring process and fun meritocracy (yes, those words can go together). The biotech company has beer parties on Fridays, encourages pet projects, has an intensive new-hire orientation and does a weekly poll of workers to ensure that there are no problems and everyone is in line with the company's goals.

But it is also the X-factor — employees feel that they are doing something worthwhile, and being treated and paid fairly in the process.

How can your company be more like a 100 Best? Here are five key steps:

- Celebrate new hires. There's a reason sports coaches huddle and give a "go-get-'em speech" before games. Orientation and on-boarding are consistently overlooked, but have high value at relatively low costs. Schedule the new hires' first week with get-to-know you meetings and tell them how their job is critical to the company's mission.

Check in with employees 30, 60 and 90 days out to address any problems with fit or communication. Genentech takes on-boarding seriously and steeps new hires in company history and goals.

- Let employees know what is going on. A lack of communication communicates to employees that they are not important. Companies get lazy about communication and forget its importance, especially in times of change.

Announce when people come and go. Communicate frequently during crises, such as layoffs. Employees even like to know when the answer is "we don't know."

- Find out what makes employees tick. Take the pulse of the company through employee surveys, which communicate interest in job satisfaction and find the best route to employee engagement. The Fortune 100 Best companies are known for creative, effective perks.

Company number 53 on the list, Hot Topics — a chain of mall stores that sells clothes and music to young rockers — reimburses concert tickets when employees complete surveys on the latest trends they saw at the show.

#### WHAT TO DO

**Celebrate new hires.**

**Let employees know what is going on in the company.**

**Find out what makes employees tick.**

**Cultivate good managers.**

**Know what kind of workplace culture you want to create.**

- Cultivate good managers. It is widely known in the HR consulting world that the biggest reason for an employee's departure is a poor manager. Managers are the grass-roots implementers of the company culture. Provide training and coaching to help managers, especially those who over- or under-delegate, improve their skills.

- Know who you want. Culture is the key component in creating a great work environment;

and it's the people who make up the culture. So getting the right people in the door is top priority.

How can you find the "right" people? Determine the knowledge, skills and abilities each job requires to support the business strategy and culture, and design an interview process to find them.

Genentech said it has a recruiting process that finds the passionate, hard workers who make their culture and the company successful.

Leading companies know to create value through their people and each has a comprehensive and well-implemented people strategy as part of its overall business strategy. They focus on a strong talent management plan that includes job descriptions, competency modeling, assessments, recruiting processes, compensation/benefits planning, rewards/retention efforts, performance management, communication, employee engagement efforts, leadership development and succession planning.

Companies that make people a priority deliver better business results.

What's your company doing?

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