



BUILDING AND RECOGNIZING BEST COMPANIES

5 Ways to Develop a High Trust Workplace Culture

Findings from the 2017 *Most Admired Companies Award Program*



BestCompaniesUSA



Driving Retention in a Low Unemployment Economy

In March 2018, the Bureau of Labor Statistics (BLS) reported that employment had increased by 313,000 jobs in February, while overall unemployment remained at 4.1 percent. There are 155,215,000 working Americans¹ and the economy seems to be firing on all cylinders.

Based on our 15+ years of research, consulting and promoting best places to work, BestCompaniesUSA knows that the best companies have high-trust cultures, which are often developed in unique and non-traditional ways. This uniqueness is exactly what allows a company to attract and retain top talent, even when the economy is hot and employees have many options.

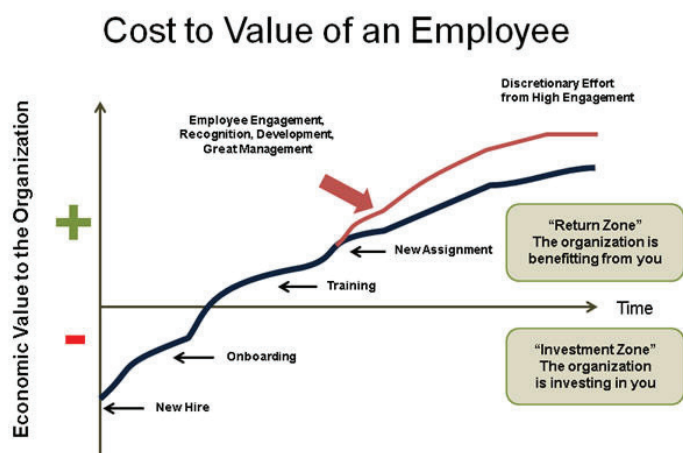
Connecting employees and their unique purposes to distinct organizational events, employee resource groups, benefits, rewards structures and more is a key factor in reducing turnover.



THE PROBLEM: No Defining Culture

In 2006, Stephen M.R. Covey published *The Speed of Trust: The One Thing That Changes Everything*. Part of Covey's research discovered seven costs all organizations incur if they operate with low trust environments: redundancy in organizational hierarchy, bureaucracy in complex rules and policies, office politics that waste time and talent, employee disengagement and low productivity, turnover (as described below), churn of non-employee community stakeholders, and fraudulent behavior.²

Studies show that the total cost of losing an employee can range from tens of thousands of dollars to 1.5-2X his or her annual salary.³



Maybe your organization has considered the total cost of losing an employee; maybe it hasn't. Those costs can include: hiring a new person, onboarding a new person, lost productivity, lost engagement, reduced customer experience, increased errors, training investment and cultural impact. Initially, employees can be a cost to an organization, but over time they become an increasingly valuable asset.

Conversely, on average, best companies see roughly one-half the voluntary turnover of their industry peers.⁴ High-trust workplace cultures help organizations keep their top talent. Best companies have the ability to deeply engage their employees on a variety of levels.

TRUST: The Avenue to Most Admired Company Status

Covey's research also uncovered how high-trust workplace cultures create environments employees want to stay in.

The seven dividends, as he calls them, are:

1. Increased value returned to shareholders
2. Accelerated financial growth with fewer expenses
3. Enhanced innovation increasing market share
4. Improved collaboration and sacrifice for one another
5. Stronger partnering with internal and external customers
6. Better execution on organizational goals
7. Heightened loyalty from all stakeholders

BestCompaniesUSA has 15+ years' experience founding, facilitating and sharing best practices of workplace culture awards. To more closely examine the unique activities great workplaces engage in to develop an engaging environment, we performed an in-depth analysis of the 2017 winners of the Most Admired Companies (MAC) survey data. The MAC award is facilitated via a partnership between BestCompaniesUSA and AZ Big Media.⁵ The MAC survey findings provided unique insights into practices that deeply engage employees and create a high-trust culture that will reduce turnover.



EVALUATION CRITERIA

1. Leadership Excellence
2. Workplace Culture
3. Corporate and Social Responsibility
4. Customer Opinion
5. Innovation





5 Ways to Develop a High Trust Workplace Culture

If you haven't read Gallup's 2017 *State of the American Workplace*,⁶ we encourage you to explore it. Its findings are fascinating. Only 33 percent of Americans working today are engaged. These people love their jobs and employers and proactively work to make their situation, and those around them, better. Conversely, 16 percent are actively disengaged miserable at work. The rest, 51 percent, simply show up to work each day disengaged, delivering a mediocre performance.

In organizations with fewer than 25 employees, 41 percent of those employees are engaged. In organizations with 5,000 or more employees, only 29 percent are engaged. More than half of those surveyed (51 percent) are actively searching for new jobs. No organization can keep 100 percent of its employees. But, the following examples provide valuable insights into ways your organization can leverage Covey's seven dividends to build a unique culture and more effectively retain talent.



1 Connect Employees to Your Organization's Mission

Every human has a personal life mission. How can you connect that personal mission to your organization's mission in meaningful ways? According to Gallup's research, only 13 percent of employees strongly believe their leadership communicates effectively. An effective way to enhance open communication, deeply engage employees and build trust is through sharing (work appropriate) personal information. If you learn your colleagues' favorite hobbies, books they're interested in, their pets' names, something about their spouse/partner or children, or why they love working for your employer, trust can be built rapidly.

Being an active listener, offering the benefit of the doubt in tough situations and limiting blame will help your colleagues feel as though they have a best friend at work. This creates an inner confidence that encourages autonomy in daily tasks and choices, freeing up your time to focus on your core responsibilities.

If your organization isn't connecting the personal – organization mission dots yet, it may fall on your shoulders as a leader to manage this process. Your personal brand grows when you help others learn, develop and get promoted. A great way to help employees uncover their personal missions is to encourage them to be the person they needed when they were younger. If your employees can help others overcome the same challenges they went through before, your employees' unique purposes will become increasingly evident.

Ideally, you will help an employee write her own personal mission statement and you will be able to identify connections between her life's mission and your organization's mission. To help uncover and facilitate these connections, offer online resources, form accountability groups, design challenging assignments, promote volunteerism, encourage the employee to join an external board, facilitate discussion via a book club, encourage sabbaticals, offer unlimited vacation, have them complete personality profiles, attend self-development trainings, travel internationally or offer lateral moves.

Uniting employees under a shared purpose aligns with Covey's dividends – particularly with regard to improved collaboration – and is the fuel to opening communication about living your organization's mission. To the right are two examples from BestCompaniesUSA's MAC survey data.

Cresa

UNLIMITED PHILANTHROPIC ACTIVITY

Cresa allows its team members to actively participate in philanthropic activity with no limit on time away from the office. As a firm that prides itself on its collaborative culture, it especially likes identifying an employee's life's mission and bringing like-minded employees together to support a worthy cause. Every spring Cresa hosts a charity event that combines team-building exercises with a chance for all employees across the entire firm to support worthy national organizations and have fun in the process.

Kitchell

QUARTERLY TEAM COMPETITIONS

Kitchell motivates its team through participation in quarterly competitions. An example is Kitchell's Amazing Charity Race. Teams mobilize to stage pizza parties, bake sales, ice bucket challenges, charity walks and corn hole tournaments, rallying support for their cause in hopes of receiving a grand prize donation of a 100 percent fundraising match and a place on Kitchell's permanent roster of beneficiaries.



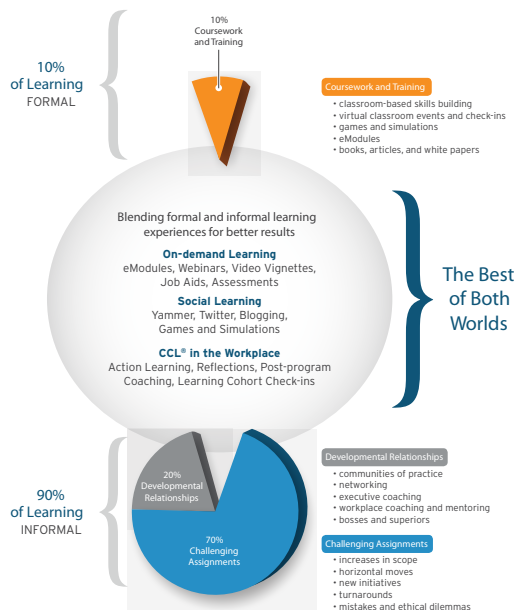
The nation's best employers infuse their mission statements throughout all phases of the employee life cycle. Deep levels of trust are established when candidates, employees and alumni know you care about connecting your organization's mission to their lives' missions.

DENISE GREDLER, FOUNDER AND CEO, BESTCOMPANIESUSA



2 Facilitate Continual Learning

The Center for Creative Leadership⁷ developed a blended learning approach that explains human learning well. It's called the 70-20-10 Rule for Development and offers a practical framework for how you and your employees can distribute time for learning.



Let's review these in reverse numerical order:

The 10 percent is formal coursework and training. This is quite common and includes rote memorization classroom learning that culminates with a test or assessment. You've likely done this yourself through reading books, articles, case studies and white papers for certificate programs, community college courses or university classes. Through this learning, you're taught theoretical frameworks and strategy. You're not taught how to execute strategy.

The 20 percent, developmental relationships, may include networking, mentorship and reverse mentorship, executive coaching, engaging consultants, learning from superiors, peer counseling and joining a professional association. CCL suggests that 20 percent of your employees' learning time may come from these informal sources.

The 70 percent, immersive experiential learning, can include making mistakes, failing, leading cross-functional projects, starting an entrepreneurial venture, taking a horizontal move internally, accepting a part-time job, nonprofit volunteering, vocational training, serving on a board of directors and other challenging experiences. This teaches you how to execute strategy and is extremely valuable in today's ever-changing business environment.

At BestCompaniesUSA, we're big fans of continual learning, especially from our mistakes. According to the State of the American Workplace report, 51 percent of American employees are actively looking for a different job. Instead of reactively allowing this costly turnover, proactively turn employee mistakes (and potential disciplinary action) into learning opportunities for the entire organization. We believe one of your best teachers is your last mistake. Encourage open discussion about mistakes made, lessons learned and alternate solutions. Sharing these learnings with your employees can help them make better decisions – part of what Covey conveys in his dividend of better goal execution.

United Healthcare

CULTURE SUMMIT

Each year, culture ambassadors at United Healthcare gather together for a two-day summit to share strategies, tactics and tools for engaging employees in the five values and 24 principles. Learnings, networking, group discussions, and presentations strengthen and invigorate the thousands of culture ambassadors to return to their home markets and inspire and energize their colleagues.

Suntec Concrete

CERTIFICATION PROGRAMS

A lack of skilled workers and an aging workforce are two of the most significant issues facing Arizona's construction industry today, so Suntec is taking an innovative approach to hiring and retaining talent that has been recognized on a national level. By offering commercial construction training classes as a proactive and dynamic way of training and developing a skilled workforce, the company has achieved better quality safety practices and built a loyal employee base at the same time. An example is Suntec's State Certified Carpenter and Cement Mason Apprenticeship Program, designed to successfully train individuals to become highly skilled concrete practitioners.



3 Allow Employees to Best Express Who They Are

Every employee is unique in myriad ways. To start connecting with them individually, first understand they are far more similar than they are dissimilar. Although their learning styles, goals, perspectives, belief structures, etc. may be dissimilar, they all desire to have a credible leader, be trusted, learn continually, have a coach and inherently dislike change being bestowed upon them. Creating connection is about recognizing where an employee is in her life's journey and acknowledging that you likely experienced similar ups and downs. Learning new competencies and finding ways to express themselves can be challenging, and providing sincere empathy, mentorship and encouragement helps.

By having an in-depth and purposeful conversation, you can assess an employee's current state and how she'd like to express her individuality. Is she an introvert or extrovert? Does she like to spend considerable time with people or prefer to check off task list items? What motivates her to learn and achieve more? How can you get her back on track during a challenging situation? How can you tailor your leadership style to create her ideal work environment? Are her suggested learning goals in alignment with the organization's strategic objectives? What does she fear? These crucial conversations allow you to partner with your employee to set aspirational goals and define a path for her to share her uniqueness with the organization. This not only enhances her performance and sense of self-worth, but increases her loyalty to you and your company – a key part of what Covey promotes within his seven dividends.

Of the 155+ million Americans working today, 67 percent are disengaged or actively disengaged according to Gallup. Part of the reasoning behind this is that they don't possess the tools, materials, equipment and other resources to complete tasks efficiently, in a way that uses their strengths or gives them opportunities to express themselves through their work. Here are two more MAC examples of what your organization can do to help your employees express their uniqueness.

Axosoft

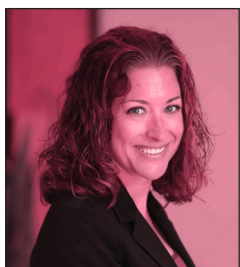
#ITWASNEVERADDRESS CAMPAIGN

Axosoft supports females in the tech industry and launched the #ItWasNeverADress campaign. The powerful symbol went viral, garnering coverage on BuzzFeed, The New York Times, CNN, The Huffington Post, Time and more. It was featured as "one of the top 20 most notable things to come out of Arizona." This resulted in a partnership between Axosoft and Arizona State University to create a scholarship at the Herberger Institute for need-based students entering STEAM (Science, Technology, Engineering, Arts, and Mathematics) fields.

GoDaddy

WORKPLACE FACILITIES FUN

GoDaddy loves connections. Shared interests help forge stronger relationships and build trust. One way that GoGetters come together is through GoDaddy Groups. Employee-driven and open to all, these groups do an amazing job of uniting GoGetters. In select facilities, they also have a rock-wall treadmill and putting greens to help employees ace their short game. If an employee is feeling social, she can jump on a foosball or ping-pong table. She can challenge another GoGetter to a game of shuffleboard or a Go-Cart race. She can take the slide downstairs and head outside for a pickup game of basketball, or play volleyball on GoDaddy's sand courts.



Taking the time to learn what is truly important to each of your team members not only facilitates trust, but ensures you can best serve each individual in a way commensurate with how each prefers to receive appreciation.

LINDSAY M. SMITH, VP OF BRAND EVANGELISM, BESTCOMPANIESUSA



4 Leaders Align Words and Action

Employees need to know what is expected of them when they're at work, in terms of responsibilities and conduct, and much of this can be learned through a leader's example. Leaders remove barriers to success so that all team members do only the highest quality work. Through town halls, internal communications, group meetings, 1-to-1 coaching and walking the talk, leaders set the expectation that every employee is to emulate the organization's mission and values. True leaders ensure personal and organizational missions are aligned, they confirm resources are available and do what they can to develop effective synergies.



Through various consulting engagements, we've found that frontline employees aren't often informed about key decisions executives have made. Organizations who utilize a transparent dashboard showing the strategic objectives and how employees are directly contributing to those goals often have open lines of communication, high employee engagement and above average productivity. Employees gain a stronger connection to the value of their work, and stronger partnerships are developed – another concept included in Covey's dividends. It's not just individual performance that drives an employee or an organization forward; rather, it's the collective efforts and partnerships that transform a culture and a company.

Direct Energy

OPEN DOOR POLICY

Direct Energy prides itself on promoting and hiring highly engaged leaders. We don't just talk the talk, they walk it, every day. An office theme is "Manage from your feet, not from your seat," because so much of leadership at Direct Energy involves coaching and mentoring. Some of these programs are formal training programs, but there is also a culture of peer coaching. The DE office work environment and floor plan encourages and fosters approachable leadership. Open floor plans inspire ideation and efficiency. While formal meetings are hosted in conference rooms, there are no individual offices creating an open door atmosphere. From the CEO to entry-level, approachability, comfort and sharing are highly valued.

Homeowners Financial Group USA

"STATE OF THE UNION" EVENT

The annual all-company "State of the Union" event gives employees a sense of where the business is headed and an opportunity to make suggestions on how to improve company processes. With airfare and lodging provided to any employee who wants to attend, this event features presentations from HFG's CEO and President to discuss the company's current position and vision for the year ahead. "With so many vast changes in the mortgage industry, it is imperative that we be open about these changes and how they could affect our company and our employees," says Bill Rogers, CEO.



5 Healthy Workplace Conflict that Drives Innovation

Many leaders attempt to use their own life lessons when guiding the behavior of their employees. The “don’t-make-the-same-mistakes-I-did” method. Unfortunately, your employees have different thinking/behavioral preferences, motivators, languages of appreciation, friends, access to technology, etc. Your leadership job isn’t to force them to emulate your life, it’s to allow each to blossom into the most unique version of him/herself possible. Employee differences may lead to conflict, and conflict can be a major driver of innovation. The more ideas that percolate to the surface, the more revenue opportunities you can create in a hypercompetitive world.



All humans desire recognition for effort and skill. Some want a word of affirmation, others prefer gifts, quality time, an act of service or physical touch. Because the mainstream media pushes divisiveness and negativity... and social media inherently tells young people they’re not good enough, it’s our job to ask how each prefers to receive appreciation and deliver that to them recurrently.

We want to create safe spaces for conflict to happen safely and openly. In these instances, conflict does not have a negative connotation – it’s the fuel that ignites innovation and meaningful dialogue. Covey highlights this very principle within his seven dividends, noting that enhanced innovation leads to increased market share.

Blue Cross/Blue Shield of Arizona

ALL IDEAS MATTER

The All Ideas Matter program rewards employees for their original ideas to improve processes or functions within any area of the company. Ideas at all levels are shared and evaluated, and those whose ideas are selected for implementation receive a cash reward.

Microchip Technology, Inc.

NEW COLLEGE GRADUATE PROGRAM

Since Microchip is a global company, the training department offers classes on how to work effectively with different cultures and regions. A generations class is also offered brings awareness to the five generations that are currently in the workforce. Additionally, Microchip has an annual New College Graduate program to assist recent graduates with their transition into the workforce and provide them with opportunities to collaborate with other employees. Participants in the New College Graduate program are also encouraged to work with a mentor within the company to assist them with obstacles they may face during the early years of their career.



Best Companies. Best Leaders.

5 TRUST-BASED LEADERSHIP TRAITS YOU CAN'T DO WITHOUT

As you develop your leadership brand, consider leading by example and taking daily action on these five traits:

- 1 Make and keep promises, no matter what.**
- 2 Be fully present and in the moment. Remove all electronics and distractions.**
- 3 Support people publicly.**
- 4 Do everything you ask others to do.**
- 5 Your presence, on- or off-stage, matters. Be consistent.**

Any leader, regardless of industry, geographic location or resources, can do these five things recurrently. This will set expectations that all employees emulate this behavior. Retention will increase. Engagement will go through the roof. Productivity will skyrocket.

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About the Author

Michael S. Seaver is an executive coach with expertise in executive leadership, personal branding, change management, organizational effectiveness and employee engagement. He is a Certified Professional 12 Driving Forces® Analyst, a Certified Professional Behavioral Analyst and a Thunderbird School of Global Management MBA. Michael is a contributor to Forbes, serves on the Big Brothers Big Sisters of Central Arizona board of directors, was a member of Valley Leadership Institute's Class 38 and was named to the Phoenix Business Journal's 40 Under 40 Class of 2016. Check out his new podcast, Equal Chance To Be Unequal, on Apple iTunes and Google Play Music. For more, visit www.michaelsseaver.com.



Strengthen Your #1 Asset:

YOUR PEOPLE

The **BestCompaniesUSA** Institute helps organizations benchmark, develop and sustain the culture that is most authentic to and engages their people most deeply. We'll teach you the ahead-of-the-curve best practices being used to recruit top talent, drive retention and engage the multi-generational workforce.



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