Forge a Winning Culture

How Top Workplaces unleash potential and inspire performance
In today’s world of work where change happens fast, culture is the only sustainable competitive advantage. You can’t devise a long-term strategy and plug in just anyone to execute it. This old-school approach no longer works. By the time the strategy trickles down to the front lines, it’s out of date.

To win today, you need people who can react quickly and make decisions autonomously. Your culture — the shared values and shared priorities of your organization — is the only way to create this agility.
You see evidence of this shift when you compare the top five companies in the S&P 500 in 2009 with the top five in 2017. Companies that thrived under the old approach have lost ground. A new breed of culture-centric firms has emerged.

### Top five companies by value Q1 2009 vs. Q4 2017

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<thead>
<tr>
<th>2009: Strategic Advantage</th>
<th>2017: Culture Advantage</th>
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<td>Johnson &amp; Johnson</td>
<td>Apple</td>
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Bill Gates, the founder of the only company on both lists, has known the power of culture all along. In 1998, Gates was asked if he was worried about sharing his company's business strategy in the highly respected book, *Microsoft Secrets*. Gates said "no." He knew companies could easily copy a strategy, but never copy the culture at Microsoft.

As Peter Drucker once said, "Culture eats strategy for breakfast." We now work in a world where the best culture wins, not the best strategy.

#CULTUREATESTRATEGY
With a strong workplace culture, your best employees perform

All cultures are unique, so how can we benchmark them? The most important measure of culture is employee engagement. When you measure engagement, you see a clear correlation between engaged cultures and organizational performance.

Your workforce is brimming with ideas and innovation to drive your performance. However, unleashing this potential relies on building a culture where employees feel safe and connected.

Engaged cultures have:

![Chart showing higher productivity, lower turnover, and higher profitability](source)

Your workforce has more options today

Employee engagement is the simplest way to limit turnover, boost productivity, increase safety, enhance your reputation, and support your strategy. This helps in any economy, but today it makes all the difference. Why? Because in today's economy:

- **Unemployment is low**: At just 4.3 percent, unemployment is way down from the high of 10 percent in 2009.
- **Fewer layoffs**: With fewer companies in the midst of major restructuring, layoffs are also way down, at 1.1 percent, so less talent is looking for work.
- **A high quit rate**: Walking out the door is back in style. We're back up to pre-recession rates after taking a nosedive.
- **Drooping workforce participation**: Workers are calling it quits — for good. This number has slipped since the early 2000s.
With low unemployment and fewer layoffs, workers have more options. Every day, they’re asking themselves if you’re the best fit for them and their goals. And every day, that answer needs to be yes. Turnover’s just too expensive to be ignored.

A stable labor market returns

![Graph showing unemployment, layoffs, and quits over time]

Today we’re seeing low unemployment and a stable labor market — fewer layoffs and more voluntary turnover (quits). What does this mean? Workers have more options and they expect more from you.
In a changing world, culture matters

Despite the evidence, many organizations still act like the workplace hasn't changed. And yet, the winners and losers in today's business world are already starting to be determined.

The largest companies are feeling it ...

Since 2002, 52 percent of the Fortune 500 companies have disappeared.

Source: CapGemini Consulting: When Digital Disruption Strikes: How Can Incumbents Respond?

... and small companies aren't immune, either.

One third of companies that are over five years old and have more than 250 employees fail or are sold below market value every year.

Source: Robert W. Fairlie, Prof. Economics at the UC Santa Cruz. 2013 by the Ewing Marion Kauffman Foundation.

On top of all this, social norms have changed. Individuals have stronger voices. Social media shines a light on bad cultures. Bad bosses and oppressive environments will be exposed today on sites like Glassdoor, LinkedIn, and kununu. A bad culture is a business liability.

#CULTURESHAMING

If you're on board with the value of culture, you now have a choice to make.
Accidental or intentional — you choose

There’s no such thing as a “culture-less” organization. You have a culture, whether you like it or not. So, as a leader, you can be intentional about culture, or you can let culture happen to you.

Companies that don’t engage in a dialogue with their employees will find that conversation taking place somewhere else, in the public domain, and without the company’s participation. If you want to be intentional about culture, you need to ask — and be prepared to listen.

Will you find that you have the culture you need? How do you compare with companies you admire — or compete against? How can you improve or protect your culture? Let us share some insights from Top Workplaces.

You don’t need to go it alone. Energage has conducted Top Workplaces research over the past 12 years. We’ve surveyed over 17 million employees at more than 50,000 organizations. We’ve built an amazing database of benchmark data.

The first thing we’ve learned is that being intentional about your culture is worth it. We analyzed the financial performance of publicly traded companies in a research study called “The Top Workplaces Fund.” Here’s what we found: If you had invested in this fund, you would have seen 30 percent better returns than if you’d invested in an index fund of companies in the Russell 2500.

You can learn more at the Top Workplaces website. We know what “good” looks like.
Measuring and benchmarking engagement shows you the strength of your culture. And when we do measure engagement, Top Workplaces stand out.

**Employee Engagement Level**

- **National Average**: 31%
- **Culture-aware Companies**: 46%
- **Top Workplaces**: 58%
- **Top 10% of Top Workplaces**: 86%

**National Average**

Walk around your office. What do you see? People checking their cellphones, with one eye on the clock to see if it’s time to leave. In meetings, nobody takes the lead, but there is plenty of blame to go around.

**Culture-aware Companies**

In organizations that care enough to measure where people stand, we see marked improvement on the national average: about half again as many engaged employees.

**Top Workplaces**

Energage identifies around 5,500 Top Workplaces annually. These organizations do more than just listen, they act. They implement best practices to improve engagement. As a result, they almost double the national average for engagement.

**Top 10 Percent of Top Workplaces**

And the very best workplace cultures? Those that have truly made employees the center of their business strategy can achieve close to 90 percent engagement levels, almost tripling the national average.
Unleash the potential of your employees

The benefits of unlocking the potential in your organization may be clear, but how to do that is less obvious. For starters, Top Workplaces don’t just focus on a small core of superstars. They focus on all of their people. They also know you don’t build engagement through higher pay, lavish perks, or richer benefits.

Here’s the deal: Your people are ready to step up, engage, and give you their full commitment. So where do you begin? There are three keys to unlocking that potential:

1. **Take an employee-centric approach**
   If you want to improve your culture, follow the example of Top Workplaces: Place your employees at the center of your strategy. If you’ve got them, they’ll give you everything else. This simple change in mindset is the first step in the journey.

2. **Raise the trust level**
   For employees, the barrier is fear. That’s because we’re wired to perceive threats. It’s just part of human nature. Making people feel safe and included eliminates this barrier. When you provide safe opportunities for employees to step up and learn by experience — and know it’s safe to take risks — you lay the groundwork for further change.

3. **Connect at scale**
   Today’s workforce is distributed across sites, departments, and levels. How do you bring everyone together – is it through email, Slack, or web conferencing? On their own, these technologies don’t build trust or foster a sense of connection. In fact, they can cause the opposite. But that doesn’t mean technology doesn’t have a role to play.
Technology can build great cultures

With culture technology, it's possible to nurture trust, make powerful connections at scale, and get the insights and communication channels you need to forge a more powerful culture. However, not all culture technology is equal. How do you find the right solution?

The right solution is:

- **Easy to administer**
  You and your team don't need one more interface to master, nor should it be necessary to become a subject-matter expert. Cloud-based, SaaS-delivered solutions make administration easier.

- **Insight driven**
  Data tells a story, but it should be one that's easy to read. A solution with built-in data visualization dashboards makes it easy for you to see the real story and share great-looking charts and insights with senior leaders on your team.

- **People focused**
  Your people expect workplace technology to be the equal of the consumer technology they use. A solution with mobile-first design and a great user experience will increase user adoption, which increases organizational impact.

- **Properly supported**
  Getting a real, live person on the phone when needed should be your expectation, not the exception.

With the right solution, you can:

- **Measure and act on your culture when you like**
  Purposefully measure, plan, and act to improve culture.

- **Help employees get connected**
  Know what employees are thinking and help everyone feel heard and appreciated.

- **Set up managers to succeed**
  Have managers lead meaningful conversations with their people. See their teams grow and achieve organizational goals.
Gain insights and act locally
Bring employees into the conversation with a short, 24-question survey. Benchmark your culture against best-in-class ones. Easily inform your leadership with comprehensive, strategic, and actionable insights that lead to local actions and results. Employees feel heard and appreciated.

Get employees connected
Keep your finger on the pulse of the organization and know what employees are really thinking. Discover more than a town hall meeting or a focus group can ever reveal — with much less effort. Build a culture of appreciation with Connect as employees recognize and thank each other in ways that are visible and inspire others to follow suit.

Align and unleash
Align your employees’ goals with your business goals while getting rid of painful annual performance reviews. Key conversations can now take place around career development, key goals, and teamwork. Get the right people in the right roles and marching toward the same goal. Put employees at the center of the conversation and help them take ownership of their performance.
Winning in business is never easy, but building a great culture makes it easier to win. Join the 7,800 companies that use the Energage CultureTech platform to act intentionally about their cultures — from multinationals to sports teams to small local firms. Unlock potential in your employees and you will inspire performance in your organization.

Unlock potential, inspire performance

Contact Energage today
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