

Costco and Google business approach

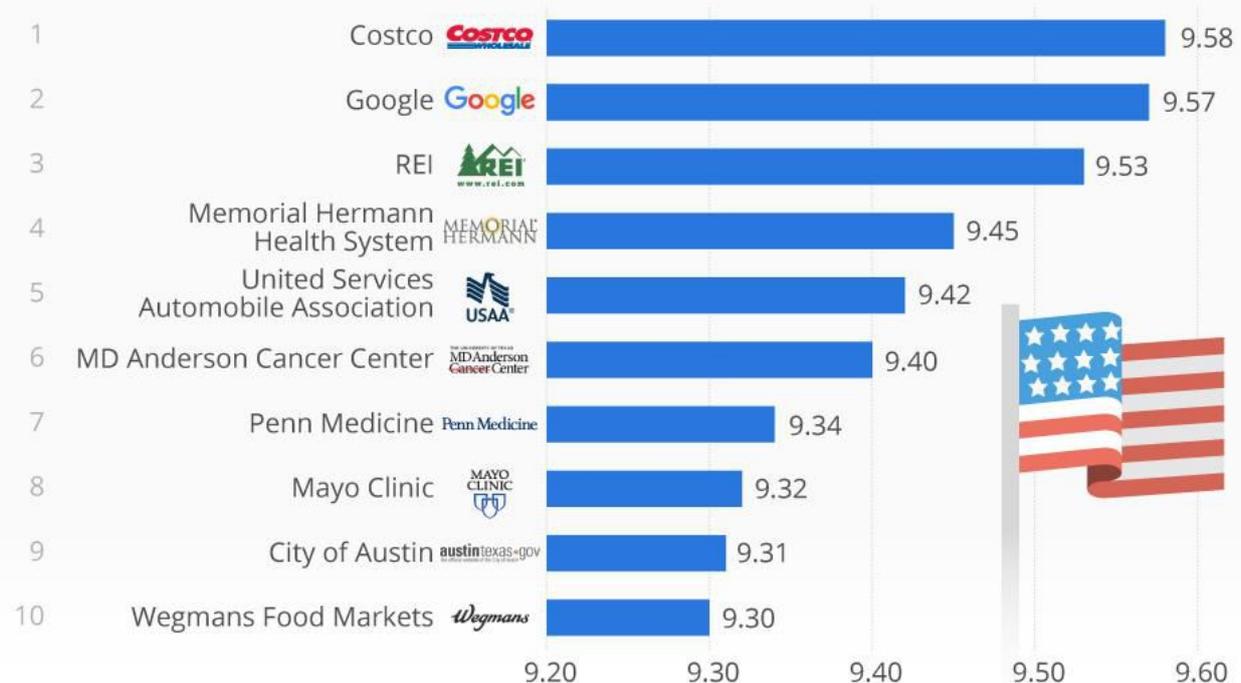
Costco Named America's Best Employer 2017 [Infographic]

Which U.S. companies and organizations can brag about having the most highly motivated and satisfied employees? Statista and Forbes decided to find out by asking 30,000 workers at U.S. companies, nonprofit institutions, government agencies, and U.S. divisions of multinationals this question: how likely would you be to recommend your employer to a friend or family member on a scale of 0-10? They were also asked to evaluate their employers in terms of other factors such as atmosphere, remuneration and working conditions with their answers formulating America's Best Employer's 2017.

After two years in the top 5, Costco was named America's Best Large Employer for 2017, scoring 9.58 out of 10. The second largest retailer worldwide after Walmart, Costco has 143,000 employees in the U.S. and one of its more interesting perks is offering health insurance coverage to its part-time staff. Google is of course legendary for its long list of perks and benefits, so it comes as little surprise that it's close to the top of the ranking with a score of 9.54. Outdoor retailer REI rounds off the top three with a score of 9.53, the first time it has made it onto the best employers list. The following infographic shows the country's 10 best large employers in 2017 and you can browse the full ranking [here](#).

America's Best Large Employers

Top 10 U.S. employers as rated by employees on a scale from 0-10 in 2017*



* Large company has 5,000+ employees in the U.S.

Source: Statista & Forbes - Employer Ranking U.S. 2017

Forbes statista

Statista

Top 10 U.S. employers as rated by employees on a scale from 0-10 in 2017

Costco's Connection Culture

Costco has one of the highest degrees of connection I've personally witnessed in my 15 years of focusing on issues of organizational culture. I believe it helps explain why Costco

is America's best employer. Let's look at the three elements of Vision, Value and Voice and how they provide the foundation of Costco's Connection Culture.

1. Communicate an inspiring Vision

In the context of a Connection Culture, my colleagues and I define vision as having three parts: mission, values and reputation. The vision of Costco is that the organization helps people make ends meet, helps businesses be more efficient and serve customers better, and is a positive force in the communities where its warehouses reside.

Costco's values are summed up in a phrase "always do the right thing, even when it hurts." Costco lives this out in the way it faithfully serves its members, the way it treats employees like family and the positive things it does for communities. Because Costco deliberately lives out these aspirations, its reputation is stellar. As a result, Costco's members trust the company will provide quality goods and services at an attractive price, and will be safe for its members and the people they love. The level of customer loyalty Costco has developed with its members is the envy of every retailer.

2. Value people

Value exists in a culture when people are valued as human beings rather than being thought of and treated as means to an end. Costco values people.

Compared to competitors, it provides generous compensation and benefits to its employees. Costco provides career opportunities for its employees. The fact that Costco's senior executives started out working on the front lines in warehouses is a testament to upward career mobility. The job security Costco has provided also shows that it values employees as human beings.

Valuing people has been stress-tested at Costco, too. The times Wall Street criticized Costco for its generous compensation and benefits, Costco's leaders didn't cave in. Instead, it continued to do what was best for the long-term by giving raises to its people. During difficult economic seasons, Costco tightened its belt, rolled up its sleeves, and worked harder and smarter so that its employees would continue getting raises. No jobs were cut when Costco merged with Price Club. At the warehouses, the local leaders hold programs to help employees move up in responsibility and they teach managers to "greet before delegating."

A word you will hear frequently at Costco is "family." The intentional attitudes, language and behavior at Costco make its people feel like valued members of the Costco family. When I spoke with former CEO Jim Sinegal, he emphasized that valuing people is the right thing to do and it's a good business practice. Costco's low employee turnover is a case in point. Furthermore, longtime Costco employees develop friendships with each other — a factor which has been shown to boost employee engagement and performance.

3. Give people a Voice

Giving people a voice to express their ideas and opinions then considering them is a third way Costco strengthens its Connection Culture. Sinegal told me a story about the time in Costco's early days, when it was opening a warehouse in downtown Seattle, and the local liquor license inspector questioned everything. As the inspector's inquiry stretched out, Sinegal blew up at him in frustration. A colleague of Sinegal's had to be sent to convince the inspector that he had gone temporarily insane.

Looking back, Sinegal wishes he could thank the inspector. His thorough questioning helped Costco become better prepared for what it would face ahead during its decades-long expansion. The bottom line is that difficult conversations and questions can be gifts in disguise. Costco embraces this attitude of humility and honesty and that posture makes the company smarter and stronger.

While attending Costco's Annual Managers Meeting, I saw another manifestation of the Connection Culture element of **Voice**. Costco continuously taps into the ideas and

opinions of its employees around the world to identify ways to improve its delivery of goods and services to members and improve efficiencies that reduce costs. Video after video was shown of employee ideas that have been implemented, along with estimates of the economic benefits associated with each. The creativity and ingenuity of Costco employees was a sight to behold.

In highlighting these stories, Costco leaders celebrated these improvements while at the same time disseminating practices that could be replicated across the company.

Surviving and thriving

The company's Connection Culture provides a competitive advantage that will help it sustain its impressive track record of superior performance and weather the difficult seasons that all companies face from time-to-time. Some of its competitors have been reported in the press to have toxic cultures that harm employees. These organizations may continue to perform well for a while, but eventually their lack of connection will lead to managerial failure that sabotages performance. It's only a question of when.

Meanwhile, the Costco leaders of today are preparing future generations of Costco leaders in the ways of connection and that will help ensure the Costco family, and its service to its members, not only survives but also thrives.

Google Spent Years Studying Effective Teams. This Single Quality Contributed Most to Their Success

What matters isn't so much who's on your team, but rather how the team works together.

The best companies are made up of [great teams](#). You see, even a company full of A-players won't succeed if those individuals don't have the ability to [work well together](#).

That's why not too long ago, [Google set out on a quest to figure out what makes a team successful](#). They code-named the study [Project Aristotle](#), a tribute to the philosopher's famous quote "The whole is greater than the sum of its parts."

To define "effectiveness," the team decided on assessment criteria that measured both qualitative and quantitative data. They analyzed dozens of teams and interviewed hundreds of executives, team leads and team members.

The researchers then evaluated team effectiveness in four different ways:

1. executive evaluation of the team;
2. team leader evaluation of the team;
3. team member evaluation of the team; and
4. sales performance against quarterly quota.

So, what did they find?

The researchers found that what really mattered was less about who is on the team, and more about how the team worked together.

What mattered most: Trust.

So what was the most important factor contributing to a team's effectiveness?

It was psychological safety.

Simply put, psychological safety refers to an individual's perception of taking a risk, and the response his or her teammates will have to taking that risk.

Google describes it this way:

In a team with high psychological safety, teammates feel safe to take risks around their team members. They feel confident that no one on the team will embarrass or punish anyone else for admitting a mistake, asking a question, or offering a new idea.

In other words, great teams thrive on trust.

This may appear to be a simple concept, but building trust between team members is no easy task. For example, a team of just five persons brings along varying viewpoints, working styles and ideas about how to get a job done.

In my forthcoming book, [*EQ, Applied: The Real-World Guide to Emotional Intelligence*](#), I analyze fascinating research and real stories of some of the most successful teams in the world.

Here's a glimpse at some of the actions that can help you build trust into your teams:

Listen first.

To build trust, you must respect how others think and feel. That's why it's important to listen first. When you regularly and skillfully listen to others, you stay in touch with their reality, get to know their world and show you value their experience. Active listening involves asking questions, along with concentrated effort to understand your partner's answers--all while resisting the urge to judge. Careful listening helps you identify each individual team member's strengths, weaknesses, and style of communication.

Additionally, you send the message that what's important to them is important to you.

Show empathy.

Beyond listening, try your best to understand your fellow team members and their perspectives. This is called cognitive empathy. But you'll also benefit from showing affective, or emotional empathy. This means attempting to share the feelings of another. For example, if a colleague shares a struggle, you may think: "Well, that's not such a big deal. I've dealt with that before." When this happens, try to think of a time when *you* felt stressed or overwhelmed, and draw on that feeling to help you relate.

Be authentic.

Authenticity creates trust. We're drawn to those who "keep it real," who realize that they aren't perfect, but are willing to show those imperfections because they know everyone else has them, too. Authenticity doesn't mean

sharing everything about yourself, to everyone, all of the time. It *does* mean saying what you mean, meaning what you say, and sticking to your values and principles above all else.

Set the example.

Words can build trust only if they are backed up by actions.

That's why it's so important to practice what you preach and set the example: You can preach respect and integrity all you want; it won't mean a thing when you curse out a member of your team.

Be helpful.

One of the quickest ways to gain someone's trust is to help that person.

Think about your favorite boss. What school he or she graduated from, with what kind of degree, and this person's previous accomplishments--none of these details are relevant to your relationship. But how about when this boss was willing to take time out of their busy schedule to listen, help out, or get down in the trenches and work alongside you?

Trust is about the long game. Help wherever and whenever you can.

Disagree and commit.

As [Amazon CEO Jeff Bezos explains](#), to "disagree and commit" doesn't mean "thinking your team is wrong and missing the point," which will prevent you from offering true support. Rather, it's a genuine, sincere commitment to go the team's way, even if you disagree. Of course, before you reach that stage, you should be able to explain your position, and the team should reasonably weigh your concerns. But if you decide to disagree and commit, you're all in. No sabotaging the project--directly or indirectly. By trusting your team's gut, you give them room to experiment and grow--and your people gain confidence.

Be humble.

Being humble doesn't mean that you never stand up for your own opinions or principles. Rather, it means recognizing that you don't know everything--and that you're willing to learn from others.

It also means being willing to say those two most difficult words when needed: I'm sorry.

Be transparent.

There's nothing worse than the feeling that leaders don't care about keeping you in the loop, or even worse, that they're keeping secrets.

Make sure your vision, intentions, and methods are clear to everyone on your team--and that they have access to the information they need to do their best work.

Commend sincerely and specifically.

When you commend and praise others, you satisfy a basic human need. As your colleagues notice that you appreciate their efforts, they're naturally motivated to do more. The more specific, the better: Tell them what you appreciate, and why.

And remember, everyone deserves commendation for something. By learning to identify, recognize, and praise those talents, you bring out the best in them.