

Case Study - Morgan Stanley

Morgan Stanley

Annual Sales: £2627MM
Number of Staff: 5356
Sites: 4
Founded: 1977
Ownership: 3 public (i.e, stock market listed)

Male to Female ratio: 64% / 36%
Staff Turnover: 11%
Earning £35,000+: 84%
Typical Job: Professional

Investments are Morgan Stanley's business and that includes the 5,399 staff employed at the company's four offices in the UK. The global financial services firm helps staff achieve their dreams at a number of levels. For example, following Morgan Stanley's sponsorship with the Old Vic, employees got the chance to swap the trading floor for the stage to put on a play!

Morgan Stanley have appeared in the top 5 of *Best Companies to Work For* lists published in both the UK (by the Sunday Times) and in the US (by Fortune Magazine). The surveys behind the lists involve a statistically representative sample of employees voluntarily answering both a quantitative and anecdotal questionnaire consisting of 72 questions in eight specific areas, designed to build a picture of working life in the company: leadership, well-being, immediate manager, team, fair deal, community involvement, the company itself and personal growth. The surveys have been running for six years and are highly regarded as a powerful barometer of organisational development.

Richard Caseby, Managing Editor of *The Sunday Times* said, "It takes a brave boss to allow an outside organisation to freely survey their people, but the culture in all our winning companies embraces honesty and openness. Employees know they can speak freely and the result is a definitive piece of research."

Making thousands of staff feel involved is a serious challenge for a large company, so initiatives, such as the Old Vic theatre performance, go a long way to helping employees feel like gold-card clients. Benefits include an on-site gym, beautician and occupational health adviser. Staff also get private healthcare cover for themselves and their family. Quiz nights, summer drinks parties and fundraising events give employees a chance to let off steam with colleagues.

A content workforce, 84% of whom earn more than £35,000, repays the firm with loyalty, support and commitment. More than a third have been on the payroll for at least five years while one in 10 has been there for at least a decade. Correspondingly, the 82% positive score for belief in the principles of the organisation is the fourth highest among the big companies and the 81% score for recommending Morgan Stanley to others as a workplace is the best.

The firm runs "Open" initiatives to encourage honest communication, and hour-long employee breakfasts or lunches with its senior management team. Staff think the company is run on strong values and principles (76%).

Communication is key to a large company such as Morgan Stanley, which uses 21st-century technology to bring its 53,000-plus worldwide workforce together. Webcasts enable staff to access global meetings in real time, making senior management, including those based in New York, highly visible.

Morgan Stanley is committed to doing its share as a responsible corporation by improving the quality of life in the communities where its employees live and work. In addition to providing extensive financial support to key charitable priority areas – children’s health and education, diversity and cultural programs – they encourage their employees to give something back to their communities. One thousand employees did charitable work in office hours last year.

All the workforce have the right to request flexible working arrangements and can take advantage of generous maternity and paternity policies. Staff say they are proud to work for the organisation (80%) and some go even further and say they love working at Morgan Stanley (70%). Employees also say that their job is good for their own personal growth, the 77% score being the third highest.

The importance of demonstrable commitment from Senior Management

More than anyone else, the CEO has the ability to set the tone and convey the importance of work-life initiatives as part of overall corporate strategy. Of course, there’s a great deal of rhetoric spoken about these kinds of issues and relatively little real behaviour.

Perhaps the most interesting aspect of Morgan Stanley’s approach to people is that it survived, and indeed was strengthened, when the firm suffered the loss of its long-established and very popular CEO, Philip Purcell, in 2005. Their reputation as an employer has continued to grow under the leadership of John Mack.

Philip Purcell, while CEO of Morgan Stanley, served as corporate chair of the National Work-Life Initiative (US) - an annual campaign that provides education about and heightens awareness of work-life effectiveness as a key business issue.



"An organization that supports work-life initiatives sends a message to employees that they are respected and understood, not just as contributors to the organization, but also as individuals with interests and responsibilities outside of the office. As the CEO, I make every effort to provide support for creating and expanding work-life programs at Morgan Stanley because it is the most direct way to demonstrate an understanding and appreciation of their importance.

Communicating this type of support does a couple of things. It triggers managers and employees to think strategically about the most effective way to get work done. And it promotes teamwork and creates dialogue regarding the importance of flexibility. By fostering a corporate culture that is flexible, employees are able to negotiate the right balance between home and career, enabling them to achieve their personal and professional aspirations. And of course, employees who have support for personal issues can be more productive at work. Just think about it: When employees' interests outside of the office are supported, they are more likely to feel more connected and committed to the organization, making it a win-win for everyone.

We do this in a number of ways. For instance, one of Morgan Stanley's core values is respect for individuals and cultures. By that I mean the firm recognizes that employees may have different needs at different times and we look to address both the personal and professional aspects of our workforce through our work-life programs, diversity, recruiting, career development, and leadership programs. We also make every effort to provide support for broadening our work-life programs

So how do we know it's working? The data is clear: Over the last few years, our Employee Assistance Program usage has increased from 1% to 18% of our workforce. Further, 17% of our employees have used our work-life resource and referral program, and 15% are taking advantage of the available flexible work arrangements. In fact, 15,000 employees telecommuted at one time or another in the past year alone. And it's not just a working

mom or a working dad program, but an inclusive program designed to benefit all employees. We encourage our people to take advantage of what is offered and educate managers so that they can support those who choose.

I think it's pretty clear that our employees are embracing what we have to offer. Our programs have been recognized by various organizations and publications and we proudly display these awards on our internal and external websites. This kind of recognition helps us to attract and retain talented individuals who understand the importance of work-life balance.

People wonder whether the state of the economy has a direct effect on our work-life programs. I would say yes—a positive one! Even in tough market conditions, we continue to maintain a strong commitment to work-life and in return have been rewarded with employee loyalty. I do not believe that work-life programs are cyclical. These programs directly impact employees' lives every day and that is something we care deeply about."



Shortly after taking the reins at Morgan Stanley, the incoming CEO, John Mack, was very publically scrutinised by analysts. Among many questions, he was asked what was the most important resolution he had made about the business:

"The most important resolution we've made at Morgan Stanley is to focus on our people – and on talent management. In our business, people are our most critical resource, and the firm's long-term success depends on how well we train and develop and support them. If you look at a lot of the surveys that have been written about why people stay at a company, money is not the first reason. It has a lot more to do with the fact that they want to work for the best, they want to continue to learn and grow, they want to be empowered. And, of course, they want to be paid fairly. So we're focused on doing a lot more to educate and train and mentor our people – and to help them realize their full potential. We're focused on bringing the best and the brightest in here to support our already deep bench of talent, and giving our people exciting opportunities to move around to new regions and businesses. We recently appointed a new chief talent officer who is dedicated to making sure we do that – but this isn't something that senior management can delegate. It's an important focus for me and the entire senior management team."