

Motley Fool co-founder at Worcester Economic Club: A happy workplace equals a good investment



Tom Gardner, co-founder of Motley Fool, was guest speaker Wednesday at the Worcester Economic Club. T&G Staff/Steve Lanava

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WORCESTER - Looking for a good investment bet? Find a company with happy employees, says the co-founder of The Motley Fool investment newsletter.

"If you make culture, leadership, and workplace engagement a key factor in your investment approach, you do better over time," said Tom Gardner, citing data and Motley Fool's own company experience.

"There's no indication it will improve your returns in a single year," said the investment advisor, here Wednesday to address the Worcester Economic Club. But "if we're talking 10 years out, the best cultures outperform the averages. If you just bought the Best Places to Work list [from] Fortune Magazine [or] the Glassdoor Best 50 companies, you're smashing the market."

Mr. Gardner and his brother, David, founded The Motley Fool in 1993. The company today reaches millions of people each month through its website, books, newspaper column and subscription newsletter services.

As co-chairman and CEO, Tom Gardner serves as lead advisor on the company's all access-service, Motley Fool One, and manages The Everlasting Portfolio, which mirrors his own personal investment portfolio, and has beaten the market since its inception. In 2014, Glassdoor ranked The Motley Fool the Number One place to work in the United States among companies with between 250 and 1,000 employees. It was the second year in a row The Motley Fool won the best-place-to-work honor from Glassdoor, an online job site at which employees anonymously review their companies, Mr. Gardner said.

Companies where people are happy to go to work make good investments over time, Mr. Gardner told the Telegram & Gazette before his address to the Worcester Economic Club at the Beechwood Hotel.

"Every organization now needs to see each individual as an individual on their own career path," he said. "Gallup surveys show that 70 percent of everyone that goes to work is disengaged. It's a tremendous inefficiency. The first thing you have to do as a company is commit to seeing everyone as an individual.

"It's actually being forced now because [at] sites like Glassdoor, any individual employee can anonymously review you as an employer," he said. "Those ratings stack up. Most people under the age of 30 looking for jobs are going to Glassdoor and seeing what people are saying. If you're not really interested in optimizing somebody's career

at your company chances are they're going to be one of those 70 percent that are disengaged."

Mr. Gardner said he also favors public companies where the founder remains the CEO. "He or she already has plenty of money," he said. "Most of them are worth more than \$10 million, and all the happiness data shows, you're not going to get much happier after that from a monetary standpoint. If you told many people in the workplace, 'Hey, I'll give you \$10 million, you want to keep going to work?' Many people would say, 'thank you, no.' If 70 percent are disengaged, most people will take that \$10 million and leave.

"I like to know that the person who is leading the entire company is...bought in, their reputation is on the line, they have a huge asset invested in that business," he said, citing as examples Warren Buffett at Berkshire Hathaway, Jeff Bezos at Amazon, and Howard Schultz at Starbucks. He credited Herb Kelleher at Southwest Airlines for that airline company's being the "runaway best performing stock" from the mid '70s to 2000. And despite what Social Network might lead one to believe, he said, "most people love working at Facebook" under Mark Zuckerberg.

Other companies with great cultures include Google and Chipotle, he said. "Costco pays their employees more than they have to, by far," he said. "They pay substantially more than Walmart pays, and when they're asked, why don't you save money for your shareholders, their answer is, "It's much more costly to lose our employees."" A good workplace culture with a passionate and committed CEO makes for a strong company over the long term and thus a good investment, he said.

"Turnover is a great stat to follow," he said. "There is such low turnover at Chipotle versus other fast casual restaurants. If you see people want to go to work - and by the way, Chipotle's founder is still co-CEO - I want to put my money on that boat and let it sail."

Source: Telegram.com