

November 23, 2018

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WE  
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Dear Victoria,

It was a pleasure working with you and hearing first hand from employees about WE's unique culture. Outlined below is a summary of the work LHH Knightsbridge carried out, along with key findings. As with any organization, particularly as they evolve, findings are typically a mixture of "do well," and "do better". Your strong culture is a valuable enabler, and a key differentiator – it is a robust culture of people driven by passion. Further, WE's 2018/2019 People Plan is closely aligned with what falls into the "do better" category and will be instrumental in continuing the journey to maximize the employee experience.

#### Background and Methodology

Lee Hecht Harrison Knightsbridge was engaged by WE to conduct a rapid culture pulse check to further explore themes from the 2018 Employee Engagement Survey. This initiative is part of HR's 2018/2019 strategy **to conduct regular check-ins, annually and quarterly, and a recent shift to shorter more frequent pulse measurement to ensure that engagement levels are understood all the time.** The objective was to better understand the employee experience and identify strengths and opportunities for improvement. A random but representative sample of approximately 10% of key organizational groups was selected to participate in a series of 90-minute discussions on culture. The groups were organized according to tenure to determine if there were any key differences in perspectives.

1. Newer employees (6 months – 1 year)
2. Employees (1 year to 5 years)
3. Longer tenured employees (5 years to 10 years)
4. Senior leadership

In addition, we interviewed the Chief People Officer to understand some of the initiatives that are currently underway.

#### Definition of Culture

Our approach and findings are based on our understanding of culture which we define as "a set of organizational practices and norms that speak to 'the way we do things around here'." Culture also informs an organization's interaction style and is underpinned by a set of core values and beliefs. Edward Schein from MIT's Sloan School of Management states that culture can be observed at three levels, including "artifacts" which are visual cues (processes and structure), "espoused values" which are key goals and beliefs, and "basic assumptions" which speak to the beliefs and feelings that are unconscious, and thus may be taken for granted. We know that a strong culture can result in increased productivity and better retention, and can be a key attraction factor in the recruitment process. Engagement surveys are often used to measure aspects of an organization's culture.

## Key Contextual Consideration

### Key Inflection Point

WE is at a key inflection point in its evolution. Since its inception in 1995, it has grown from a small club in an elementary school to an international organization. In the last 3 years alone, the employee base has increased by 27% to meet the growth of the organization. Many of the opportunities for further development that WE is facing are typical of an organization as it reaches its next stage of growth (e.g., the need to hone leadership capabilities, improve operational practices, and better coordinate work across a larger and more complex organization). Additionally, WE is increasingly onboarding more employees with experience from the outside who are also bringing with them new expectations and ways of looking at work.

In the spirit of continuous improvement, WE has developed and is implementing a people strategy that will continue to build organizational best practices while addressing levers that may have been triggering attrition in the past, including **growth of people managers, training, total rewards, talent management**

### Findings That Emerged from the Focus Groups:

#### A Robust and Well-Defined Culture -- Employees Highly Value WE's Strong Values-Driven Culture

Employees of all tenures described WE as having a strong culture with contagious energy stemming from employees' unified passion to make a difference, both in their local community and world wide. The organization is highly mission-driven; employees' personal values align to the organization's mission, they are able to live their values at work, and they feel as though the work they do at WE is more meaningful than it would be elsewhere (especially at a for-profit organization) because of its focus on making a positive impact. Employees appreciate that WE's organizational norms and cultural attributes are collaborative, genuinely enjoy their colleagues, and describe a culture of generally high appreciation of employees. They report experiencing an entrepreneurial culture that provides them with unique opportunities for personal and career growth, and they appreciate the travel perks, participation in WE Days and other events, and above all the fulfillment they experience by making a difference. Employees derive high value from being a part of an organization where they can make a significant impact, locally and globally. It is primarily these attributes that draw people to the organization and retain them.

In addition to identifying a strong culture at WE, LHH Knightsbridge heard a number of fairly consistent themes from focus group participants which are outlined at a high level below. Where relevant, we have noted the WE HR initiatives currently underway, that are aimed at continuous improvement and strengthening the culture.

**Finding 1:** Both longer tenured employees and more recent hires highlighted wanting to have a better and more consistent understanding of career progression and development options at WE.

**How it is being addressed:** WE's 2018/2019 People Plan has a specific initiative focused on implementing talent reviews to identify high performers and create career paths. In addition, the plan outlines a focus on onboarding and early skill development.

**Finding 2:** As the organization scales, there is a greater need for developing highly effective leaders.

**How it is being addressed:** As part of WE's 2018/2019 People Plan, there is a specific initiative targeting manager development through a series of boot camps and conversations with senior leaders which we see as a strong step in the right direction. Based on interviews with the Chief People Officer, there are additional efforts targeted at increasing the leadership skillsets across the organization, at all levels. As with most organizations, leadership skill development will continue to require focus as the organization evolves.

**Finding 3:** WE is at a stage of growth where more organizational processes need to be introduced to eliminate confusion, improve role clarity, and support a broader employee base. At the same time, WE needs to ensure that it maintains its cultural essence and does not introduce burdensome processes that inhibit agility which is one of WE's hallmark traits.

**How it is being addressed:** While there is still opportunity for improvement in implementing more formal organizational processes and structure, HR has made the introduction of more robust people processes a strategic priority. The implementation of ADP and Sensei are targeted at helping employees navigate critical HR activities such as training, communications, and hiring. Further, there is an initiative underway focusing on levels of work and addressing inconsistent titling. Formalized talent reviews and performance management will also introduce more consistency. The planned introduction of better screening tools will ensure that new hires demonstrate competencies that are consistent with the culture.

**Finding 4:** While employees appreciate the “thank you” culture at WE, the opportunity to travel and participate in WE days and other events, newer employees, in particular, are looking for more consistent approaches to recognition that are tied to performance.

**How it is being addressed:** WE has undertaken research to review where there may be gaps and inconsistencies in its total rewards program, and is working on a revised compensation structure with improvements to employee benefits. Implementing manager boot camps around specific topics will also help equip leaders to better communicate and manage compensation-related expectations.

**Finding 5:** Similar to other values-driven and not for profit organizations, WE employees find that the purpose-driven nature of the organization and its rapid growth make it challenging, at times, to maintain work-life balance.

**How it is being addressed:** While it is not being addressed directly, better screening of employees for fit, job previews, trained managers and tighter more consistent ways of working will likely positively impact work-life balance. In addition, WE is exploring health plans that will better support employees. Given the nature of the work and the sector, work-life balance will likely require deliberate management on an ongoing basis.

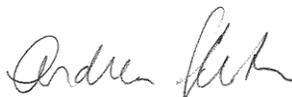
### Summary

In general, WE has a vibrant, purpose-driven culture that continues to attract top talent. The types of cultural tensions expressed by focus group participants were, in our opinion, typical of a maturing organization experiencing significant growth. Further, there is typically a natural tension in cause-based organizations between the vision of “doing good” and the practical reality of running a viable and sustainable business that calls for more sophisticated leadership skills as the organization matures.

The initiatives laid out in the People Plan 2018/2019 demonstrate a commitment to continuous improvement in the employee experience. We see it as a journey, and while the foundation has been set, the situation will require and benefit from ongoing monitoring as outlined in your plan. As WE moves forward and continues to grow, mature and evolve, there is an opportunity to introduce more structure and formalized business processes to ensure that there is a rock solid organizational foundation to operate from. Attention to work-life balance will continue to need focus by the very nature of the types of individuals that tend to join WE, and the type of work that the organization does.

Victoria, it was a privilege to work with WE. If you have any other questions, please feel free to reach out to us.

Sincerely,



Andrea Plotnick,  
Ph.D. Vice President, Board and Executive Solutions, Talent & Leadership Development

cc. Amalia Jimenez, Aleka Maclellan