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Abstract: The article examines the investment bank Goldman Sachs Group as of February 2014. An anomaly is considered in which despite significant job stresses for its employees including long hours of work and a very competitive atmosphere, the bank was rated 45th in the publication's 100 Best Companies to Work For survey based on employee feedback. Employee comments indicating this level of satisfaction derives from the bank's corporate culture and sense of being a member of an elite group are discussed.

Full Text Word Count: 3729**ISSN:** 0015-8259**Accession Number:** 93761222**Database:** Business Source Ultimate**Yes, Goldman Sachs Really Is a Great Place to Work**

The company has taken its licks in recent years and has a reputation for long hours and intense competition. But scary-smart colleagues, sweet perks, and a commitment to giving back still make Goldman the ultimate career destination for the truly type A. (Okay, those bonus checks don't hurt either.)

TWO HUNDRED FEET above lower Manhattan in an airy modern conference room, some 20 employees are sitting elbow to elbow as they participate in a meditation session. Breathing in, then out, they heed the guidance of their instructor, who tells them to count to five silently—and to start over every time their attention wavers. "Notice where your mind wanders to," she implores. "Let go of the day's stresses."

The course grew out of the company's Resiliency Week, a wellness initiative on stress management, happiness, and work-life balance over five days. It's one of a number of unconventional perks at this plush workplace. Others include a tai chi club, five-times-a-week Pilates, bubble tea in the café, a champion dragon-boating team, lectures from visitors such as Derek Jeter, and an all-night scavenger hunt for charity.

It may sound like the Googleplex, but you'll find Hermès rather than hoodies here: The meditators work for Goldman Sachs, the venerable 144-year-old investment bank. Yes, the one that's been in the cross hairs in recent years as it both reeled from and was blamed for the financial crisis; yes, the one where 70- to 80-hour workweeks are considered routine. Say hello to the other side of this company. Beyond the headlines, there's a unique culture and a remarkably satisfied workforce. We swear. And people are dying to get jobs here.

Don't take our word for it. Ask the employees. Goldman Sachs is No. 45 this year on Fortune's annual list of 100 Best Companies to Work For, the definitive ranking of corporate workplaces based on employee feedback. And no, this isn't the result of a new mission to improve working conditions: Goldman has earned a spot on our list every year since we started it in 1998—and it's one of just 13 companies that can make that claim. (J.P. Morgan and Merrill Lynch are the only other big investment banks to ever make the list, and not since in 1999.) This year Goldman employees helped to bump up their company 48 slots.

What gives? Conventional wisdom might say it's the money that keeps people sated here. Indeed, the firm saw average compensation of roughly \$380,000 over the past 12 months. And while that number skews high because of multimillion-dollar paychecks at the top, Goldman typically sets aside more cash for compensation per employee than any other major bank.

But according to 62 pages and more than 40,000 words of unfiltered employee comments collected by the Great Place to Work Institute (which conducts the employee survey) and reviewed by Fortune, it's not just the pay that makes the employees so fond of their firm. Nor is it the swank corporate headquarters, the four-month maternity leave, or an obsessive devotion to philanthropy.

Above all else, employees say, it's the opportunity to work with, and count yourself among, an ultra-elite group. Less than 3% of 97,600 applicants for analyst and associate roles won a seat at the firm last year, making it twice as hard to get into as Harvard. That, plus what employees describe as a flat, consensus-driven, collaborative culture (there are 188 references to "team" in those 62 pages), is what they say they like about their company. "You don't have to be the smartest person, but it's probably the highest combination of smart and interesting and interested-in-the-world kind of people," says Lloyd Blankfein, the 31-year veteran who became chairman and CEO in 2006 and who, according to the most recent SEC filing, has more than 21 million reasons to agree that Goldman Sachs is a splendid company to work for.

To be sure, the past few years have been anything but easy at Goldman. There was the financial crisis and ensuing bailout, in which it took \$10 billion from the government. There was scrutiny that led to a \$550 million settlement with the SEC over a subprime-mortgage product, and a Department of Justice inquiry (which was later dropped). There was Goldman-bashing

everywhere, from late-night talk shows to President Obama to a round of books critical of the firm's ethics. And there was the press—most notably the 2009 Rolling Stone article that compared the company to a vampire squid. Yet another challenge: regulators cracking down to stamp out the type of risky trading Goldman always did best. The business community never quite shared the vitriol—clients stayed loyal, and in 2010, even as Main Street's antipathy toward Wall Street crested, the firm climbed seven spots in Fortune's list of the World's Most Admired Companies. But that doesn't always help when almost every article about the company still refers to that cephalopod.

It's true, though, that if Goldman is a great place to work, no one would ever call it an easy place to work. The pressure can be intense. But employees say the upside of admission makes it worthwhile—and many say those difficult years after the meltdown had the effect of bringing people together in a way that boosted corporate self-esteem. "I will always believe that the culture was one of the most important factors in getting us through the crisis," says John Rogers, the firm's executive vice president and chief of staff to its last three CEOs.

For Goldman Sachs that's a good thing, as it faces competition from new forces when it comes to the hiring front. New grads aren't heading to Wall Street in the same numbers as in the past; the percentage of Harvard graduates alone planning to go into finance has dropped by more than half in recent years, according to student surveys. That's partly due to the reputational hit the industry took after the financial crisis (those numbers are starting to edge up again), but it's also due to new competition from tech companies, many with uplifting social missions, which have become the destination du jour for many young twentysomethings. It used to be the best jobs out of college were Goldman, McKinsey, or GE; now add to that Google, Facebook, or even a fresh-out-of-the-dorm-room startup. Goldmanites see themselves as playing a critical role greasing the wheels of global capitalism and maintaining a firm where people really do serve something greater than their own personal interest. And the company still has a surfeit of applicants. But getting that message out and luring the best grads are top priorities.

How does Goldman do it? What are the secret ingredients that go into making the firm such a compelling place to work? Going against its grain, Goldman opened its gilded doors to Fortune for an unprecedented look at what its employees do—and why they seem to like it so much.

GOLDMAN'S 32,600 EMPLOYEES are spread out over a surprising array of locations and categories. Its 15 total divisions support four main revenue-producing segments: investing and lending, investment banking, institutional client services, and investment management. Nearly a quarter of all employees, or about 8,000 people, work in technology, which includes everything from designing trading platforms to calculating risk.

Roughly 10,000 people inhabit its two largest offices: the headquarters in lower Manhattan and a skyscraper in Jersey City, directly across the Hudson. But there are also thousands of employees in Bangalore and a significant presence in Salt Lake City. The office there, opened in 2000, has 1,700 people; Brigham Young University is now one of the company's top university suppliers of new hires.

Still, it's the 43-story steel-and-glass tower in Manhattan, the global headquarters that opened in 2009 to great fanfare, that is the Goldman nerve center—not that you'd know it. There's neither an awning nor a sign in sight. The only assistance offered to confused visitors is an arrow indicating the "200 West Street entrance." For reasons of both style and perhaps security, the company avoided a logo or even a company name on the façade. "It's meant to be an elegant, well-tailored suit," says Timur Galen, Goldman's global co-head of corporate services and real estate, who joined the firm 11 years ago from Disney, where he oversaw design and construction of theme parks, among other projects.

As it is with a good suit—and there are a lot of them whizzing in and out of Goldman's doors at all hours—you can really tell it's expensive only once you're in it. Inside, 200 West St. is minimalist, from the white oak walls to the acclaimed abstract mural in the lobby by Julie Mehretu that goes by, simply, "Mural." The heart of the building is on the 11th floor, where elevator banks converge in a soaring two-story, glass-ceilinged modern aerie, the Sky Lobby. This is the building's "town square," which includes a spacious, recycled teakwood coffee bar designed to encourage impromptu meetings. When the firm moved into the new building, people say they ran into colleagues they hadn't seen in years. (Note to HR operatives everywhere: Never underestimate the appeal of a well-placed espresso machine.)

Below the Sky Lobby, there are six trading floors, each of which is 25% larger than a football field. Above, open-plan floors stretch all the way up to plush conference rooms for clients on 42 and 43 (the executive floor is on 41). The 2,000 managing directors—who rank one notch below the 450 partners—get internal-facing offices.

If you descend the floating spiral staircase from the Sky Lobby one floor, you'll arrive at the sprawling fitness center (there's a monthly fee), with its treadmills overlooking the Hudson, spinning studio, and more than 70 classes a week, which include Flex Zumba and Jukari Fit, an accessible twist on Cirque du Soleil--style acrobatics. The company also sponsors organized leagues for, among others, basketball, billiards, and the aforementioned dragon-boat racing teams. Goldman's two boats win, a lot.

If you overdo it at the gym, there's an in-house physical-therapy center and, next to that, a medical center, which has a staff of physicians, nurses, and specialists in fields like dermatology and orthopedics (employees pay competitive rates, typically covered by the company insurance plan). Nearby, the cafeteria offers a mix of standard fare and rotating selections from Manhattan hotspots, like the Crack Pie from Momofuku Milk Bar. ("Everything you wouldn't think a health-conscious place should have, we have," quips Blankfein.) As with the gym, the food is not free. "It's a marketplace," Galen says matter-of-factly.

In fact, as befits a market-driven company, the cafeteria has pricing based on demand; if you go during peak hours, you pay more. ("François, we're having a run on meatloaf—quick, raise our ask!") It's a very different system—and self-consciously so—from what exists at another corporate dynamo, Google, which ranks No. 1 again on Fortune's list and where all kinds of foods are famously free. "Different culture," Galen says. "I could take it out of your paycheck and

put it into the café, or I can put it in your paycheck and give you the choice to go to Shake Shack. We prefer the latter."

The company doesn't expect or even want everyone to eat in the cafeteria; it's designed to be used by only about 35% of employees at any given time. The reason: Goldman wants people to choose. "We're not trying to present the Iron Rice Bowl," Galen says, referring to state control in Maoist China.

To encourage that choice—and to keep employees close by—when Goldman built the skyscraper, it also commissioned shops for the street adjacent to the building, where there's a Shake Shack from restaurateur Danny Meyer and another Meyer destination, Blue Smoke, as well as a flower shop, optometrist, and other necessities of urban life.

Employees value the nontangible things too, like more than 80 affinity networks for minority and other special-interest groups, including an active LGBT network (Goldman flew a pride flag outside headquarters when the Supreme Court overturned the Defense of Marriage Act). A global Community TeamWorks program pairs employees with volunteer projects run by nonprofits, and its Thought Leadership Forum brings in A-list speakers (in addition to Jeter, visitors have included Michael Bloomberg and Sheryl Sandberg).

Over the years Goldman has tried hard to help attract and retain women, who represent just 21% of employees at the managing-director level and above. To U.S. employees, it offers a paid four-month maternity leave for both biological and adoptive mothers, and at headquarters and in Jersey City it supplements that with an infant transition program that provides up to 40 days of free onsite care. There's also backup child care at most locations—at 200 West, there's even a little rock-climbing wall for kids, which not only is good exercise but may provide training for the corporate ladder. The company supports flexible work arrangements, like giving employees the option to work from home (Marissa Mayer, are you listening?) and job sharing. Goldman says that on any given day, 30% of its employees are working remotely.

Five years ago Goldman created a new initiative it calls the Returnship, a 10-week internship-like program designed to help talented people return to the workforce after a "voluntary career break" of two years or more—whether from Goldman or anywhere. The target group is mainly women who took time off to raise children. Of 100 or so total participants, more than half have been hired full-time. The company developed a similar program for veterans, and has employed almost all of them—including Trier-Lynn Bryant, a former Air Force IT support chief who signed on as an associate in HR last June. She says her first challenge was figuring out what to wear: "I realized I can't just throw my hair in a ponytail."

Employees also take great satisfaction in the firm's tradition of corporate citizenship. Goldman has contributed more than \$100 million to its 10,000 Women initiative, which aids women entrepreneurs in developing countries, and has put \$500 million into 10,000 Small Businesses, which offers startup capital and training to entrepreneurs in the U.S. and the U.K. There's a robust company matching program, and since 2010 more than \$1.1 billion has been collected from the partner compensation pool and redirected to a charitable fund. (Goldman partners with Fortune on an award program for global women leaders.)

Of course, exceptional perks and programs are compensation for a work environment known to be intense and competitive, even by Wall Street standards. The blogosphere has its share of comments from self-described former employees, like the one who warns of stomach cramps and "waking up randomly screaming." (Goldman insists its workweeks are typical for finance, 70 to 80 hours a week.) The hiring process is brutal: It's not uncommon for recruits to get vetted by 20 to 30 people.

If the drive for excellence can be extreme, though, it's a product of having all those overachievers in one place, and that's something Goldmanites take tremendous pride in. And while cream-of-the-crop companies often boast sharp elbows, many say that's not the case at Goldman, which is known for a spirit of consensus. Cynics say with a snicker that it just means ruthless ambition masquerading as collegiality. But, employees say, the flat hierarchy and willingness to help—paired with the caliber of people—are what set the firm apart. It comes up in the employee surveys again and again: "The culture of collaboration is not just a myth"; "It is the flattest organization I have ever belonged to"; "People here act in a spirit of partnership"; "People don't just pretend to work on a team, but truly embrace it." The 59-year-old, Swatch-wearing Blankfein is known to socialize with the rank and file.

Dane Holmes, a 43-year-old partner who runs investor relations, came to the firm in 2001. He says the collaborative culture—he calls it a collective—is starkly different from that of other Wall Street firms. "I think it takes everybody a while to get it," he says. For many on Wall Street, he says, it's not natural to help a colleague with a P&L—and for hypercompetitive folks not used to sharing, he says, that can be a jolt. "You come here and you start to realize that that behavior keeps getting you smacked," Holmes says.

Indeed, Goldman recruiters are careful to try to weed out noncollaborators. Holmes says a remarkable number of otherwise qualified college students give the wrong answer to a question about, say, what being a good team player is. Ding! Wrong answer: "I'm in a great study group, and I'm always sharing my notes." Right answer: "I think it's about the collective effort of the team, all of us doing well, me spending time with a person who's not doing well." Got that? There may appear to be a fine line between those answers, but Holmes says it bespeaks a fundamental distinction. At Goldman Sachs, the type A personality who focuses on "I" gets an "F."

"I think of the culture as the operating system," says Blankfein, likening it to a computer system on which software programs are added and updated. "Our culture is what allowed us to reprogram ourselves [after the Great Recession]. The operating system was intact."

The company has made a few changes of late. In 2010 it launched a national branding campaign (slogan: "Progress is everyone's business"). In the past year Goldman has started Twitter, YouTube, and LinkedIn accounts. None are quite as entertaining as the satirical @GSElevator, but as John Rogers puts it, "There was a conversation that was taking place about Goldman Sachs, and we had the option to either be a part of it or not be a part of it. We had seen the effect of not being a part of it."

And Goldman has led an industrywide effort to promote work-life balance among young analysts. Last year the firm set up a junior-banker task force that put forth a number of new guidelines, including that investment-banking analysts no longer work on Saturdays.

Of course, there's only so much you can do to lighten up a culture of overachievers. During our tour, Galen, the real estate chief, told an unintentionally instructive story. When the firm bought two ferries to shuttle employees back and forth every seven minutes between 200 West Street and its Jersey City office, there was an internal competition to name the boats. The chosen names were the York and the Jersey, the names of two Navy ships that first plied the waters where the ferries dock.

And what about the names that didn't get picked? Was there anything funny or memorable? Galen insists he can't recall such competitive flotsam and jetsam. He offers simply: "We only remember the winners."

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A SINGULAR CIO

A NEW TECH HONCHO BRINGS FRESH PERSPECTIVE—AND A LESSON IN REINVENTION.

For Marty Chavez, the decision to return to Goldman Sachs came after a week cleaning toilets.

Chavez, 49, is the firm's CIO, but that doesn't begin to tell his story. He's part tech pooh-bah, part guru, and the newest member of Goldman's 29-member executive committee. He's also an example of how people can reinvent themselves at Goldman—and in life.

Arriving at Goldman in 1993 after earning his Ph.D. in medical information science at Stanford, Chavez worked as a quant in the energy business—but left four years later, claiming he needed a new challenge. That wasn't the real reason.

"The real reason is I made a big change in my life," says Chavez. "I decided to stop drinking." Seeking a change of venue (people in recovery call it "pulling a geographic"), he moved to Credit Suisse, but says he knew he'd made a terrible mistake. After a few years he left the industry, founded and sold a startup, bought a beach house, and retired to Fire Island, N.Y.

Soon after that, he got a call from now-president Gary Cohn, then co-head of global securities. "I heard you sold your company—congratulations," Chavez recalls him saying. "I heard you retired. That's ridiculous. I was just calling to share with you that you're coming back." When Chavez told him he was burned out on commodities, Cohn suggested investment banking. Chavez didn't know the first thing about banking, but Cohn was insistent.

Chavez was reluctant. But after some soul-searching at a silent monastery in New Mexico, he says he had an epiphany. "It's the only time in my life that I would say there was a clear message from the universe," he says. It might have been that he wanted out of his task for the day—cleaning toilets—but Chavez says he realized that he wanted to effect transformation in a global way and that returning to Goldman was the way to do it. He returned, made partner a year later, and soon was named global co-chief operating officer of equities. "After that I became pretty fearless," he says.

So last year when the firm told him it needed him to become CIO, he was game. Goldman had just suffered a coding glitch that caused it to lose tens of millions on errant trades. Chavez, with his tech background and stature within the firm, was the ideal person.

So far, so good, he says. Young people often ask Chavez what it takes to do well. He has an answer he's honed over the years: If Goldman Sachs is your top priority in life, he says, it probably won't work ("That's wonderful, but I don't want to hang out with you," he says); but if it's your fourth, that probably won't cut it either. He advises them to make a list of their "short and sacred list of priorities." For him, he says, Goldman is a solid three. "Not one, not two," he says. "And definitely not four."

PHOTO (COLOR): Clockwise from top left: employees in the Café at 200 West St.; CEO Lloyd Blankfein on the fourth-floor trading floor; the stairway descending from the Sky Lobby; "Mural" in the main lobby, by Julie Mehretu

PHOTO (COLOR): The view of the Hudson River and Goldman's Jersey City building from the company's headquarters at 200 West St.

PHOTO (COLOR): In the auditorium, employees gather to hear talks about the economy—or from high-profile speakers.

PHOTO (COLOR): CIO Marty Chavez

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By ANNE VANDERMEY

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