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Engagement Catch-Up

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the ingredients to attract and keep talent

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By Jennifer Arapoff

About H.J. Heinz Co.

- Founded in 1869 near Pittsburgh, PA
- \$10.7 billion annual revenue
- The number one or number two brand in more than 50 countries
- Approximately 650 million bottles and 11 billion packets of ketchup sold annually
- 35,000 employees

It began in 1869 when Henry John Heinz, a pioneer in the food packaging industry, sold his first product, grated horseradish, in glass packaging to showcase its quality. Today, H.J. Heinz Co. is one of the world's most successful global food companies, with iconic brands across six continents that generate annual sales approaching \$11 billion.

As it has grown, Heinz has been guided by a philosophy of local autonomy combined with global coordination, which has worked well in areas such as purchasing, information systems and finance. But the philosophy has posed challenges to creating a shared, cohesive company-wide culture. And measuring employee engagement hasn't been easy.

Under the leadership of William R. Johnson, chairman, president and chief executive officer, Heinz set out to change that. The goal was to build a high-performing workforce with engaged employees and a culture that develops talent and leaders within its ranks. Company leaders recognized that a global employee survey would be a crucial step toward achieving that goal. Such a survey could help them identify elements of the Heinz culture that employees shared and embraced globally, as well as opportunities for improvement.

So Heinz turned to longtime partner Towers Watson to help it conduct its first global employee survey.

"We had a 30-plus-year relationship with Towers Watson," explains Steve Clark, Heinz's chief people officer. "In that time, we had tackled health care strategy and actuarial work successfully together, as well as several country-specific employee surveys. To meet our growth goals, we needed to more closely examine our company culture, so we turned to Towers Watson again."



Steve Clark,
chief people officer,
Heinz

People strategy goes global

When Clark came on board in 2002, more than 30 Heinz businesses were examining their culture — all using different instruments. With so many disparate tools and processes, it was impossible to determine or explain what the overall corporate culture truly was or, more important, how to improve it.

Yet the inconsistencies in culture among business units and locations were in many ways by design. Since its founding, Heinz has been business-unit-centric. Employees rely on their knowledge of the local market to drive innovation and sales. This localized approach serves Heinz well in product development and revenue growth, but as the workforce has evolved to encompass more parts of the world, the organization's people strategy has become increasingly complex.

Towers Watson senior consultant Adam Zuckerman, already thoroughly familiar with the Heinz philosophy and business approach, worked closely with Clark's team to secure buy-in from senior executives across regions and business lines for a global employee survey. "Nearly every multinational company struggles with how centralized or decentralized to be in its operations and people programs," Zuckerman says. "Given the company's decentralized approach to most things, Heinz had a particularly tough challenge in rolling out a globally consistent survey."

"We realized that in order to act more like a global company in terms of how we manage our people," says Clark, "we needed to identify baselines for where each business unit stood in the areas of employment, culture and employee satisfaction, and then keep checking in on that."

Company leaders decided to conduct a global survey and to repeat it every two years.

"We characterized it as a locally administered survey, the results of which would be rolled up globally," says Heinz's Jackie Boucher, group leader of Global Leadership & Organizational Development. "We communicated clearly with our leaders in local markets about the need to measure employee engagement levels using standardized metrics. We explained that it was necessary to support the four pillars of our global growth strategy: Expand the core (markets and products), accelerate growth in emerging markets, leverage scale and make talent an advantage."

The Recipe

Here are tips for using an employee survey to connect the business's "soft" side to financial performance.

- **Gather good data.** Making sure each phase of the survey process goes smoothly is key to collecting accurate, useful data. The involvement of HR is vital. When H.J. Heinz Co. conducted its first global survey, Towers Watson's help desk received fewer than 100 questions from Heinz employees — an indication that the company's HR managers were highly engaged and truly owned their part of the process.
- **Slice and dice survey results.** Areas of opportunity might vary from one population to the next, so be sure to address the right problem in the right places. "Towers Watson's survey tool enables us to zero in and identify the right solution for a particular geography," says Steve Clark, Heinz's chief people officer.
- **Use information wisely.** "Business leaders find it extremely valuable to see the relationships among the company culture, employee engagement and business performance," says Towers Watson senior consultant Adam Zuckerman. "With fresh information of this sort in hand, they can get in front of issues before they become problems, and effect changes."

A survey is only as good as its results — and the ways in which you use them to improve your organization. To realize maximum value from your company's employee survey, make plans based on the findings; have people in place to put those plans into action, and ask them to report back often on their progress.

In addition, Johnson wanted an instrument for measuring leadership development and managing talent, and processes for tracking these programs over time.

"The ultimate goal is to create an inclusive, high-performance culture at Heinz that also empowers our people to make talent an even stronger competitive advantage," says Johnson. "We wanted to identify our businesses that are excelling in managing their people and then share their practices with other markets. Attracting and retaining top talent in each of our businesses is critical to executing our growth strategy."



The survey process

First, Heinz created a global project team. Boucher served as project manager, working with a number of HR business partners across geographies and business units. The team met via webconference weekly or twice weekly, as needed.

Team members understood the survey tool had to be culturally acceptable in all parts of the world. And Clark was careful not to brand the effort an “engagement” survey. The survey would indeed measure engagement, but company leaders hoped it would go much further than that. They wanted to uncover what factors drove employee engagement and what impact various elements of the culture and the employee value proposition had on

individual and business performance. And they wanted these insights for each location and for the company as a whole.

The survey questionnaire, which included 48 questions translated into 15 languages, was administered both online and via paper.

“Implementing a survey so large in scope certainly required the Heinz team to communicate with employees clearly and often, and to focus sharply on meeting deadlines all along the way,” says David Eisenreich, Towers Watson account director and managing consultant of the Pittsburgh office. “Heinz did a great job of getting buy-in from regional leaders at the outset, so they felt ownership before, during and after the survey implementation. The survey team also kept everyone in lockstep throughout the process.”

David Eisenreich,
Towers Watson
account director, and
Steve Clark, Heinz
chief people officer

Results speak for themselves

More than 27,000 employees participated in Heinz's first company-wide survey — an impressive 84% participation rate. According to Boucher, the survey itself was easy for employees to understand and complete in all locations. "We didn't receive any complaints on the quality of the translations, the technology or the meaning of the questions."

Once data had been collected, Towers Watson analyzed the results using traditional benchmarking in context with normative trends. Because Heinz has operations in so many parts of the world, this type of analysis was important to Heinz's senior leaders: It meant they could compare the results to country-specific and global norms.

"In spite of the large size and broad reach of the organization, we found remarkable consistency among Heinz locations," says Zuckerman. "Relative to other multinational companies, we found the organization to have very highly engaged employees. It's a 142-year-old company based on the traditional values of its founder and focused on producing top-quality products. The survey results showed that Heinz employees feel connected to that history and mission. Most are proud of their company and happy to be part of it."

The survey results revealed an impressive 71% employee satisfaction score.

The results also uncovered areas of opportunity, including the relationship between employees and supervisors. Marked as priorities around the globe: the clarification of individual employees' work purpose and responsibilities, the enhancement of training and development opportunities, and improvement in the area of feedback about workers' performance.

"We found differences among the various employee segments and geographies, but also between and among groups, such as between unionized and nonunionized workers, and between salaried and nonsalaried ones," says Kimberly Janson, Heinz's vice president of Global Leadership & Organizational Development. "The greatest value in the survey was that Towers Watson's tool gave us insights into what to *do* with all of these pieces of information."

The team measured engagement factors across businesses and linked the survey results to business outcomes. Leaders held focus groups in

local markets and applied the findings in creating customized solutions for individual Heinz locations. And Heinz senior executives used the survey results to establish global priorities for enhancing company culture and boosting engagement.

Moving forward

According to Towers Watson consultant Kelly Harkcom, the survey has allowed Heinz leaders to refine every element of the company's human capital strategy. For example, using insights from the survey, "Heinz has developed a program to help supervisors to become better leaders," explains Harkcom. "One goal is to help managers become effective coaches for their teams, and the company has made impressive progress in that area already."

In the months ahead, Heinz and Towers Watson will review benchmarking trends quarterly to ensure the next survey will be relevant and appropriately focused. The periodic survey will help leaders determine how the global Heinz employment brand can be continually reinforced at the functional, business and departmental levels, as appropriate.

"I'm not big on bureaucracy," says Clark. "If a process isn't likely to improve the business, I'm not pushing it through. We didn't want consistency just for consistency's sake. With this survey, we've found that good people practices applied consistently make good business sense — *and* good people sense — and that's one reason we'll continue with periodic surveys."

Janson agrees, noting that employee engagement improves when leaders involve employees in a collaborative effort across all geographies and lines of business. "We're getting behind the notion that if we use survey data to improve employee engagement, we'll see better business performance," she says. "If we improve engagement and leverage talent globally, we'll become an employer of choice everywhere we operate."

"Surveys like this aren't worthwhile if the company doesn't *do* something with the results," concludes Clark. "Now, when we initiate a new project, we connect the project back to the survey findings, so employees know how serious we are about it. We conducted a global workforce survey, looked at the results and then created action plans based on that information at every level of the company."





Lessons Learned

“When you decide to do a global employee survey, it’s important to pick the right time and the right partner,” says Kimberly Janson, H.J. Heinz Co. vice president of Global Leadership & Organizational Development. “When we set out to choose a partner, our RFP process was very rigorous. Towers Watson knew us, knew what we wanted to accomplish, and had the global capability and tools to make it happen.”

Other suggestions from Heinz leaders for a successful employee survey:

- **Appoint a strong internal project manager** — that person can make or break the project. Remember that the project manager’s

relationship with key players, both before and during the process, will affect the project’s outcome.

- **Secure global buy-in.** Regional leaders with a sense of ownership will be ready to act on survey results.
- **Assign skilled HR leaders in each region to the survey project, and use them effectively.** Both during data collection and when you have actionable results, allow them to be captains of their own ships.
- **Engage your CEO and other senior executives in the process,** and get them excited to see survey results.

(Left to right)
Steve Clark, chief people officer, Heinz;
Towers Watson consultant Kelly Harkcom; Jackie Boucher, group leader, Global Leadership & Organizational Development, Heinz; and senior Towers Watson consultant Adam Zuckerman

About Towers Watson

Towers Watson is a leading global professional services company that helps organizations improve performance through effective people, risk and financial management. With 14,000 associates around the world, we offer solutions in the areas of employee benefits, talent management, rewards, and risk and capital management.

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