



# How Leading Organizations are Leading the Way: Case Studies from PepsiCo and Jack in the Box

Employee Well-Being and Strategic Surveys  
Conference, April 23<sup>rd</sup> and 24<sup>th</sup>, 2020



# The Presenters



James Scrivani  
Director, Global Talent  
Management CoE  
PepsiCo



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OrgVitality

# Moderator



John Scott  
Chief Operating Officer  
APTMetrics



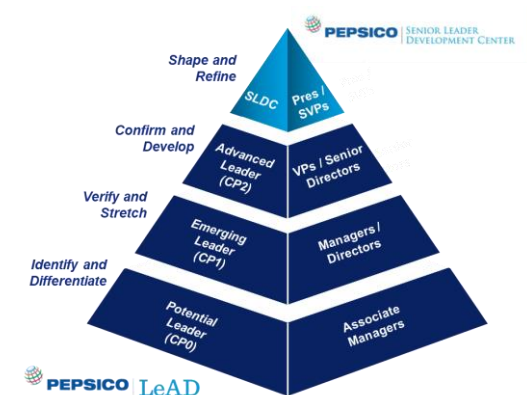


# How Leading Organizations are Leading the Way

## *PepsiCo's LeAD Program*

*April 23, 2020*

James A. Scrivani, PhD  
Director, Global Talent Assessment & Development  
PepsiCo





# LeAD's Recent External Recognition

performance  
WITH purpose



## Recent External Awards and Recognition include:

2019



2018



2016 Best Practices for the Future:  
*HR as Talent Scout, Convener & Coach*

SHRM Foundation's  
Effective Practice Guidelines Series

2017 Featured Case: *Selecting Leadership  
Talent for the 21<sup>st</sup> Century Workplace*  
(SHRM Publication)





# Understanding the Building Blocks of the LeAD Program



# To recap:

performance  
WITH purpose



## Talent Management & Succession Planning



***Focus on the “Few”  
(e.g., Identifying HiPos, Talent Differentiation)***

## Organization Development & Change



***Focus on the “Many”  
(e.g., Culture, Structure, Performance)***

## Leadership Assessment & Development

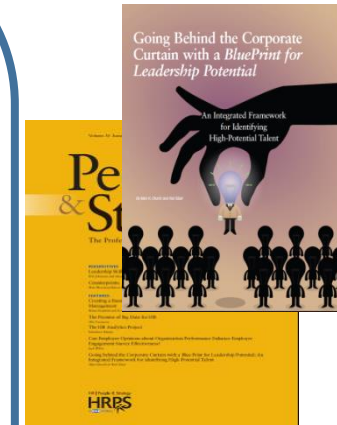
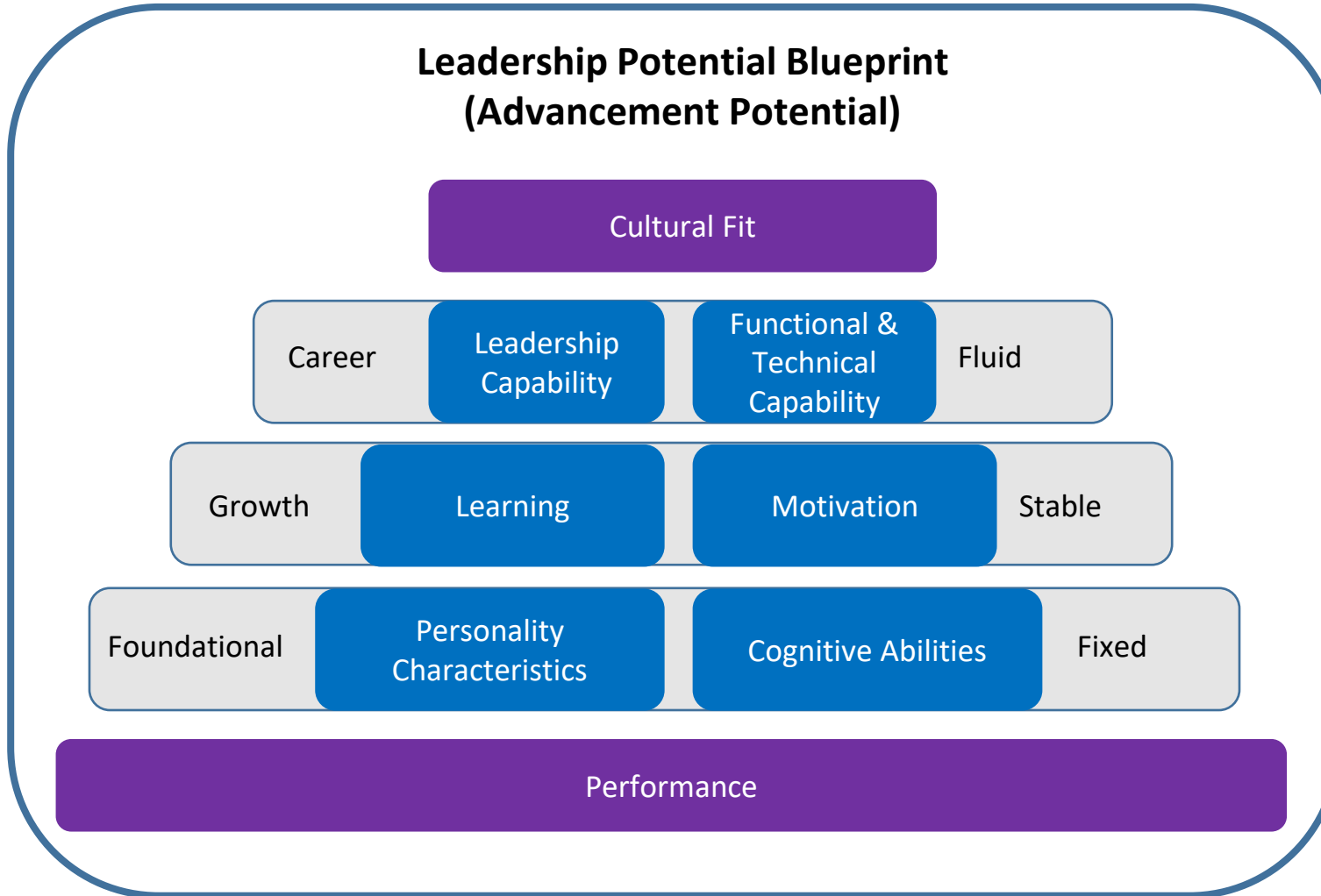


# Construct #1

performance  
WITH purpose



## Leadership Potential Blueprint (Advancement Potential)



Church & Silzer (2014)  
Silzer & Church (2009)

# Construct #2

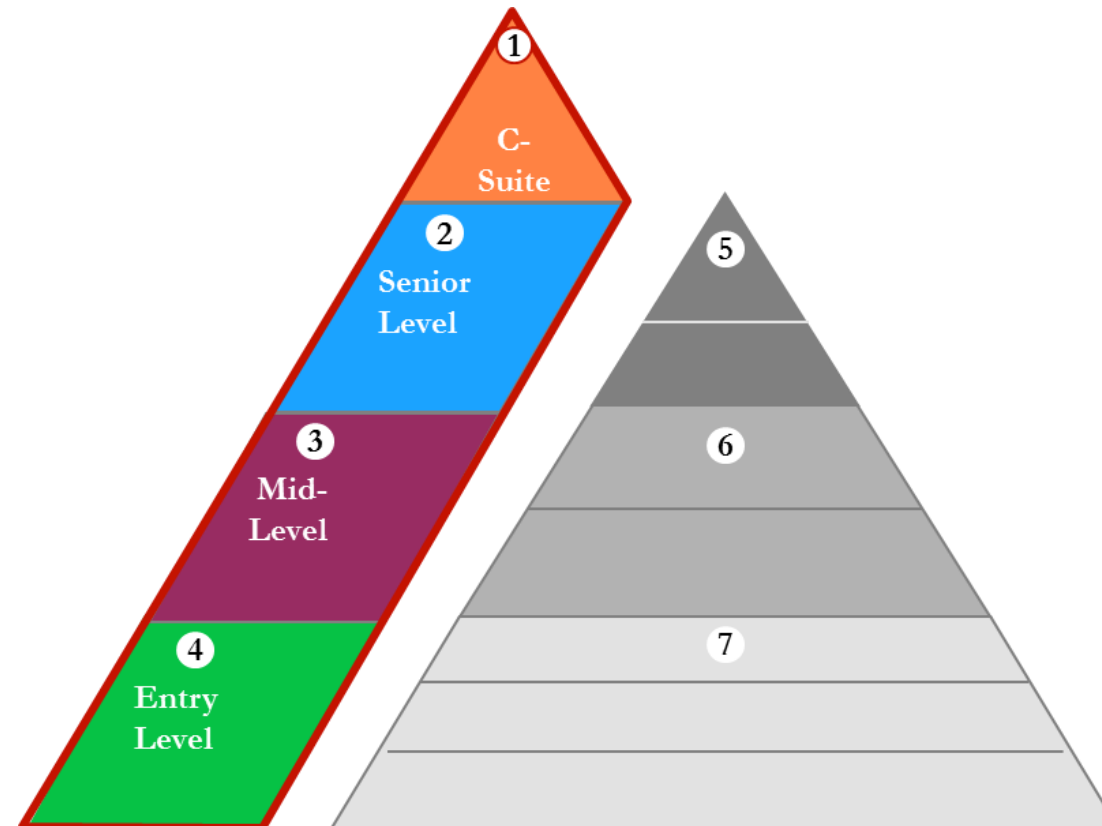
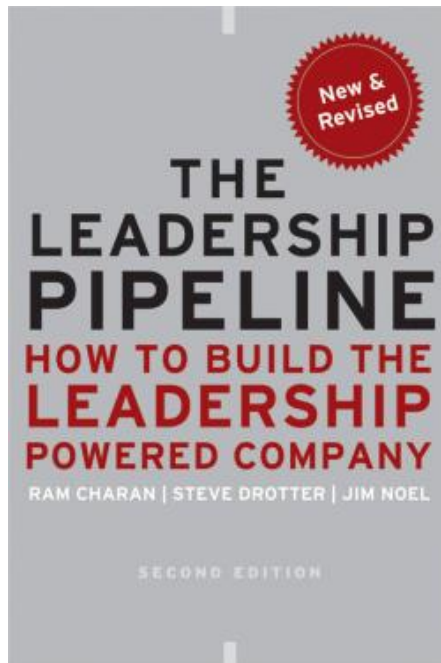
performance  
WITH purpose



## Segmentation by Levels, Roles & Functions

### Leadership

- Scope of accountabilities
- Relationships
- Visibility and impact





# Construct #3

performance  
WITH purpose



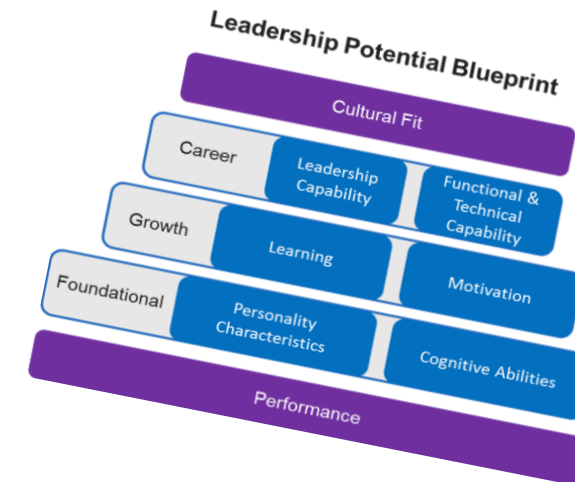
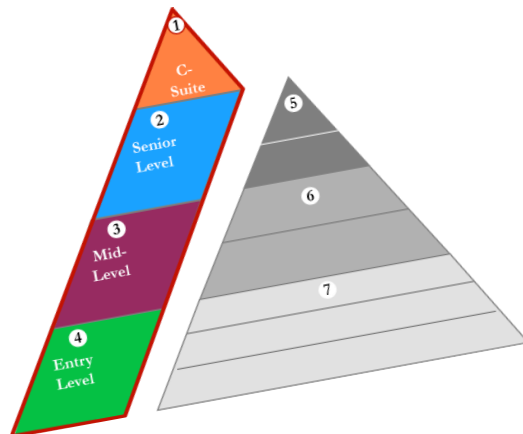
# Bringing it All Together into an Integrated System

performance  
WITH purpose



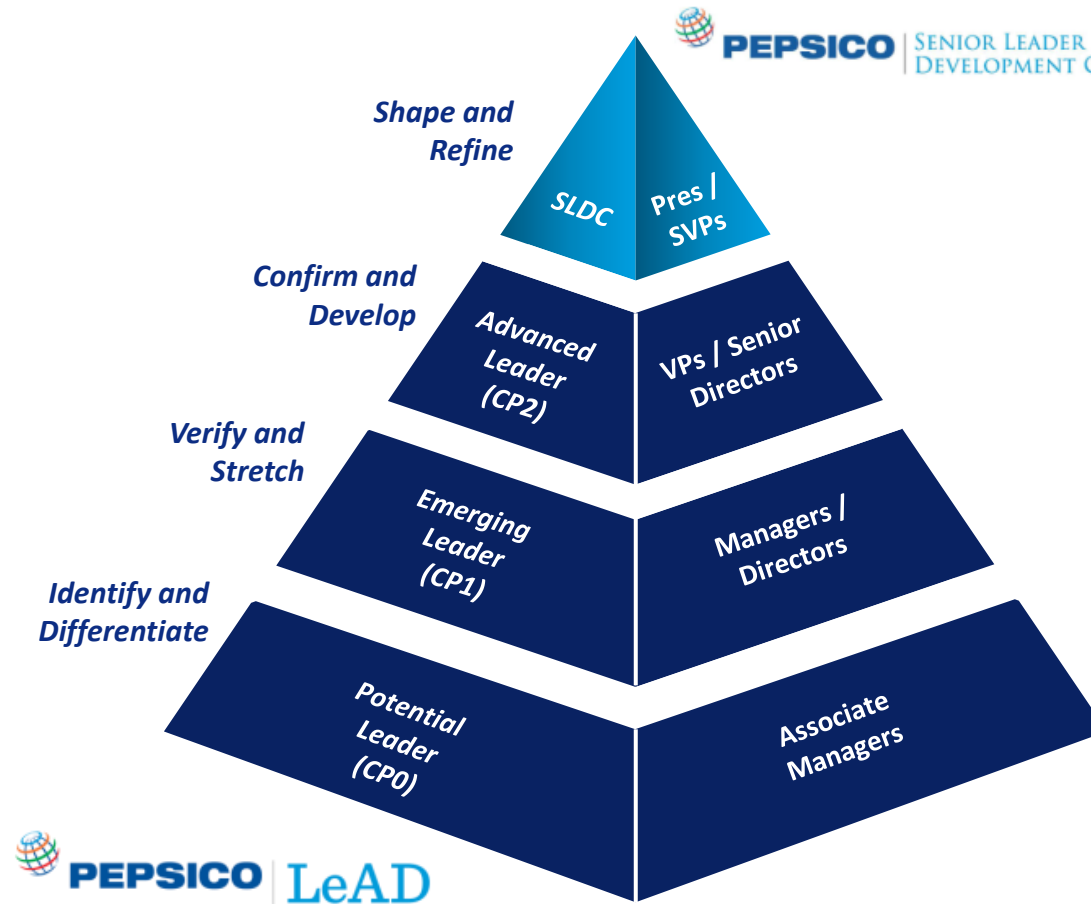
Linking key concepts together...

- (a) Role segmentation (leadership pipeline)
- (b) Talent segmentation based on future capabilities
- (c) Customized leadership assessment and development
- (d) Integrated with TM for informing talent decisions



# Integrated Assessment & Development: LeAD Program Architecture

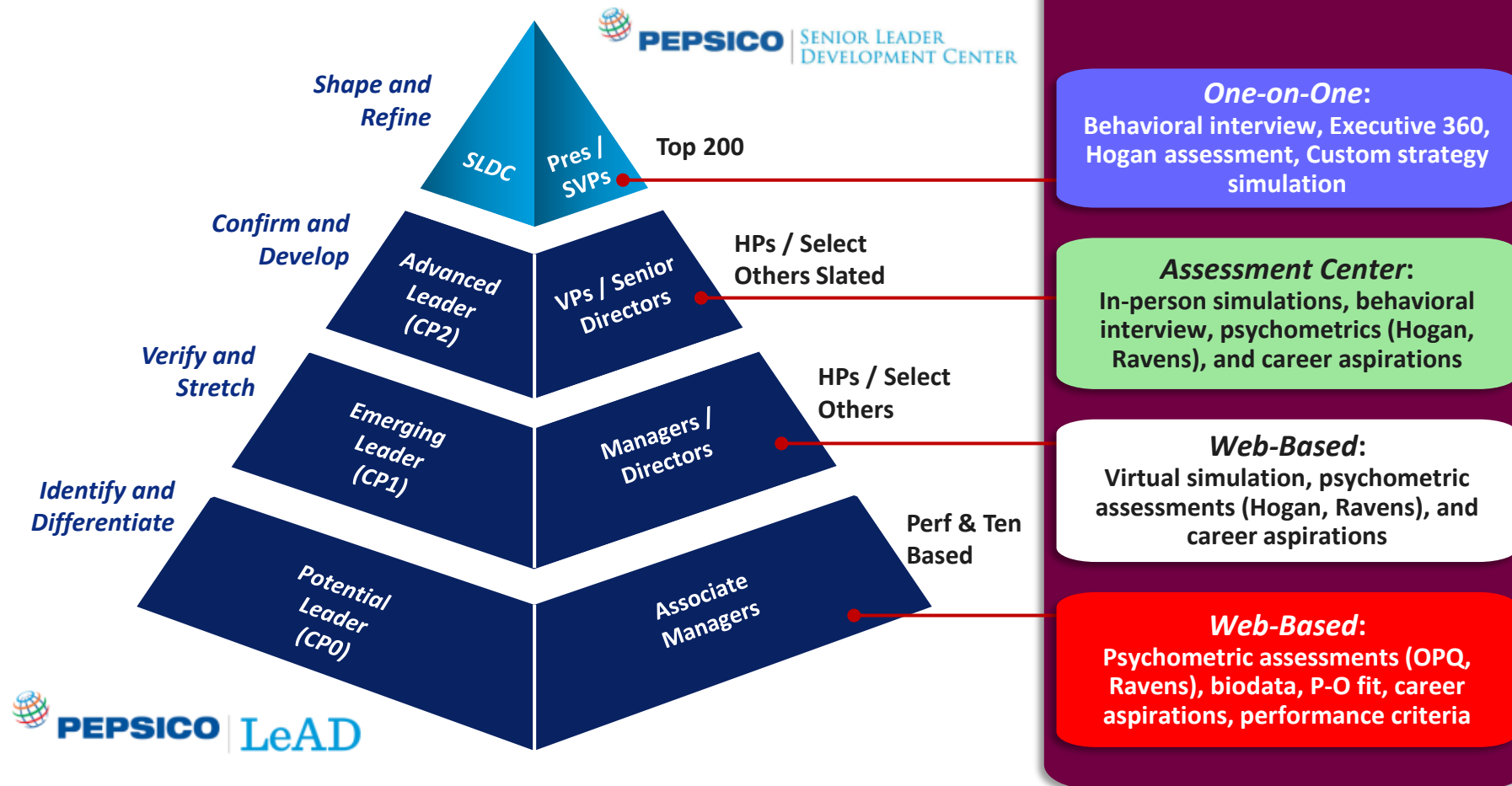
performance  
WITH purpose



- Multi-level design
- Multi-trait multi-method
- Theoretically grounded
- Empirically validated
- C-suite engagement
- Pull from the business
- Internally designed & led
- Integrated w/ TM systems

# Integrated Assessment & Development: LeAD Program Architecture

performance  
WITH purpose





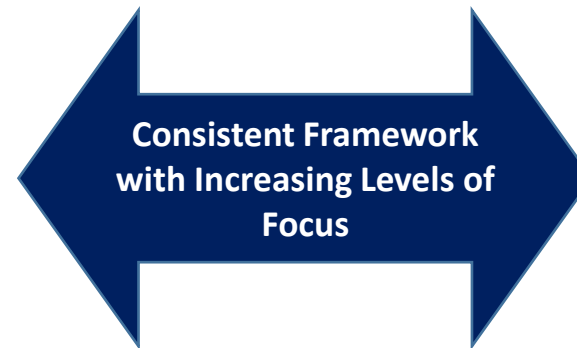
# Purpose and Benefits of LeAD

**LeAD (Leadership Assessment & Development)** was designed to add consistency and rigor to the identification, assessment, development, and tracking of key global talent.

Two main purposes: to build *individual* capability and to build *PepsiCo's* talent pipeline.

## Benefits for Participants

- A stretch experience of leading at the next level
- Deep insights on strengths and opportunities
- Development that leverages unique skills and targets capabilities critical for future success
- Consistent and bias free framework
- Global visibility



## Benefits for PepsiCo

- Talent planning informed by deep assessment of strengths and opportunities
- Better informed talent decisions
- Placing the right people in the right roles to build bench
- Creation of feeder pools for accelerated development
- Data that predicts future success

## *What Has Been the Impact of the Process?*

### Predicting performance over time

- Assessment results show **statistically significant relationships with performance** ratings across all levels of LeAD over a 3 year period

### Predicting & influencing promotions

- Assessment results show **statistically significant relationships with promotion rates (1.5x to 2.5x)** for all four programs 1-3 years post participation

### Confirming our existing talent calls

- Assessment results show **statistically significant relationships with talent calls**; however, results are also being used to influence talent calls

### Influencing potential decisions

- We are finding **~3x the stars who might have been missed** (18% vs 5%) and removing individuals who may have been misclassified (17%)

### Provides a level playing field

- **No negative impact on turnover** or other variables of interest

# Final Thoughts

- Assessments can be tricky – one size does not fit all
- The value of an MTMM approach
- Assessment creates energy and we need to ensure process is done well
- Solving for new questions and challenges that are emerging
- Impact of visibility that comes with systems integration
- Energy and excitement with new competing tools and models





Thank you!!!



# *Case Study: Jack in the Box*


Jerry Seibert, Executive Consultant, OrgVitality



Quick-serve chain primarily in the west and midwest

2,200 locations

40,000 employees



Internal systems enable great  
customer service

Customer  
Service

## Service – Profit Chain

Customer  
Loyalty

**Profit**

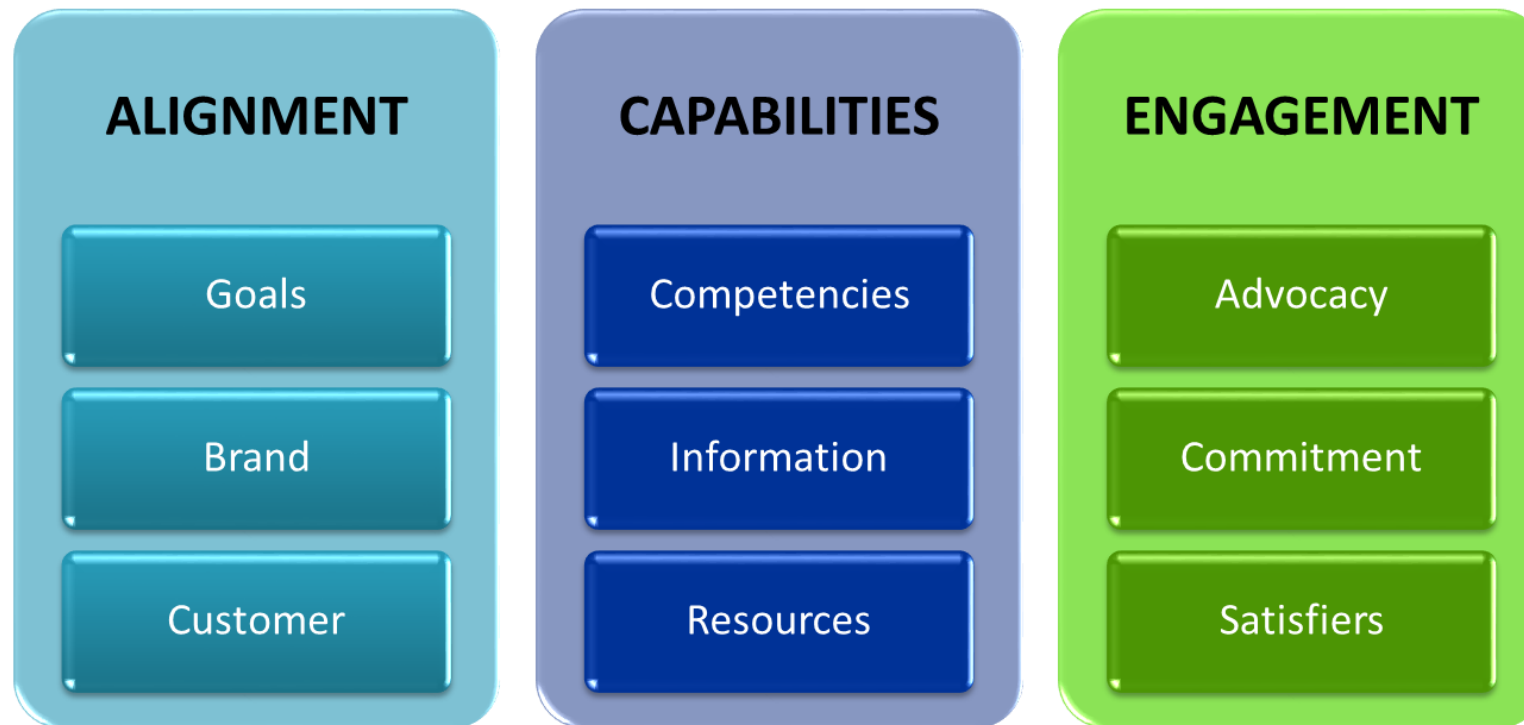
# Connecting with leaders

## Working within the context of the Service-Profit Chain model

- **Engaged leadership team members**
- Began connecting **people factors with outcomes**
- **Underscored the need for good measures** – including a framework for understanding and measuring human capital



# HR Leadership tested the validity of the ACE Framework in their business

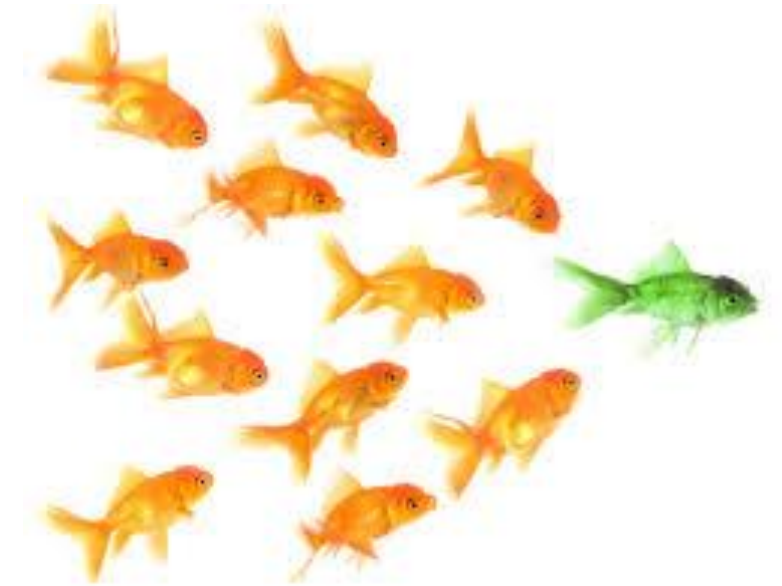


# In several large multi-company studies ACE was a better predictor of business outcomes than Engagement alone

Metrus Institute Research

## Companies with high ACE

- ✓ Were **2x** more likely to be financial leaders in their industry
- ✓ Were **3x** more likely to be quality leaders in their industry
- ✓ Average **half** the turnover of low ACE companies
- ✓ Deliver much higher levels of internal and external customer service

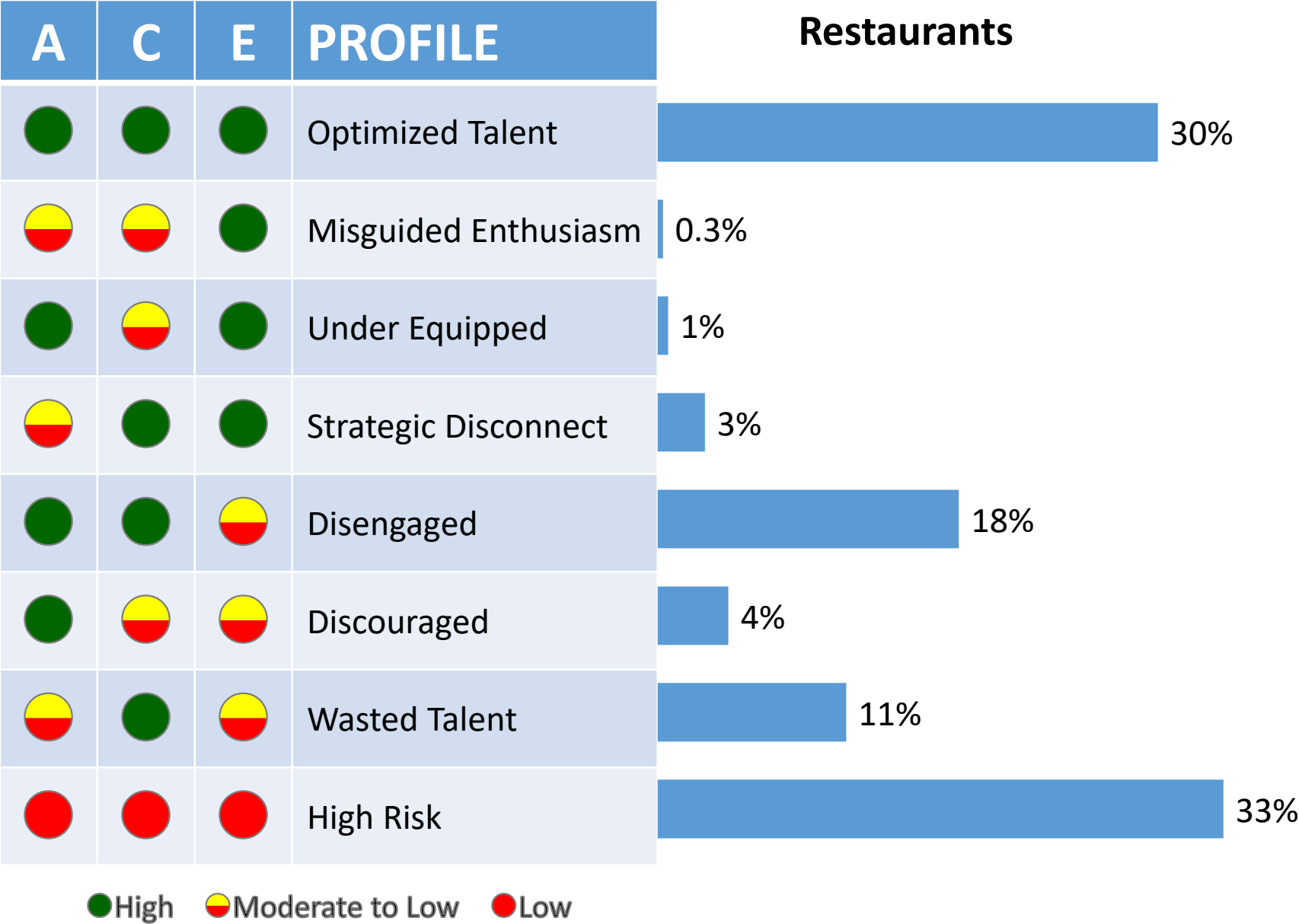


### Sources:

Schiemann & Seibert, *Optimizing Human Capital: Moving Beyond Engagement*. People & Strategy, Vol. 36, 1, 2013

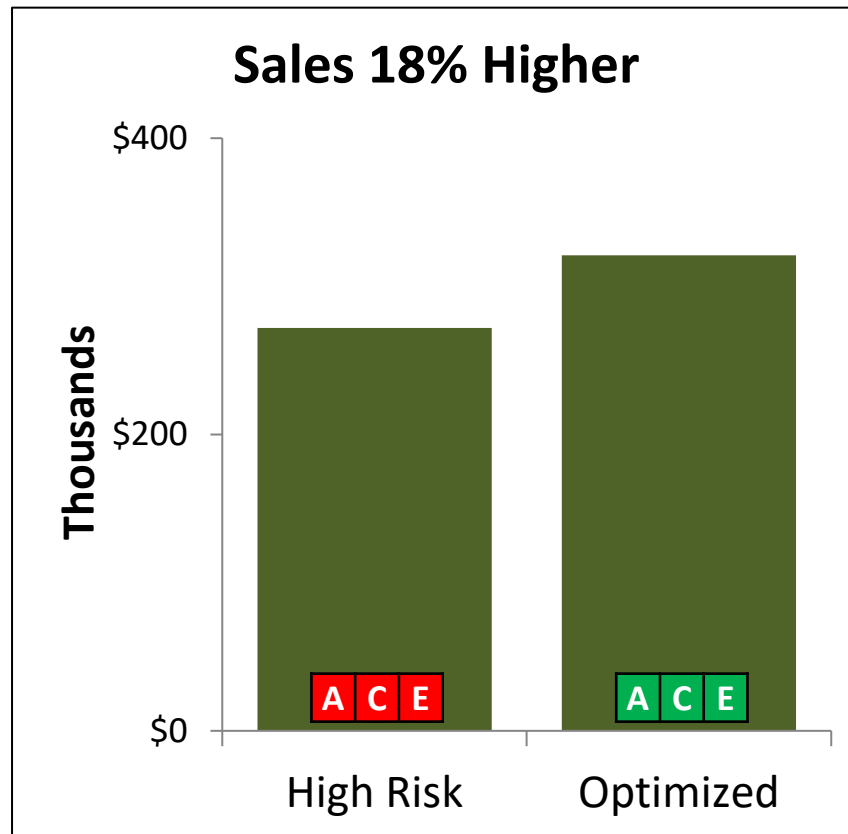
Seibert & Schieman, Power to the People - Internal Service and People Equity Drive Business Performance, Quality Progress, 2010

# Restaurant Profiles at Baseline

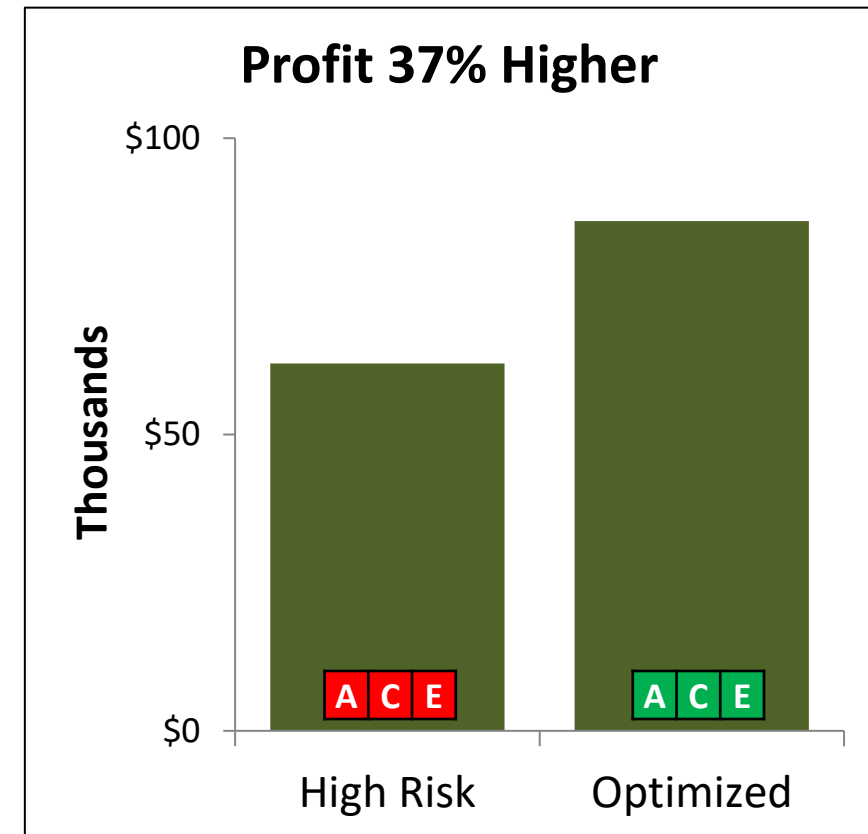


# Potential Impact

**...over \$50 million revenue**



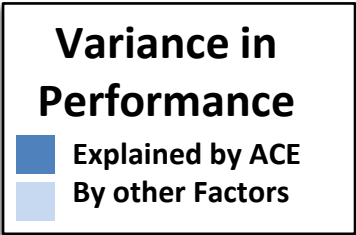
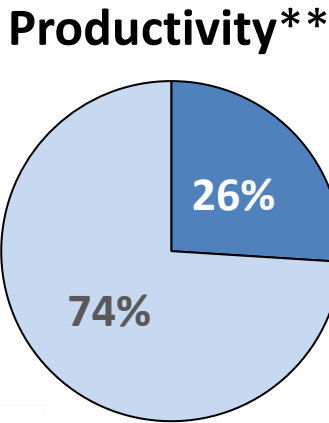
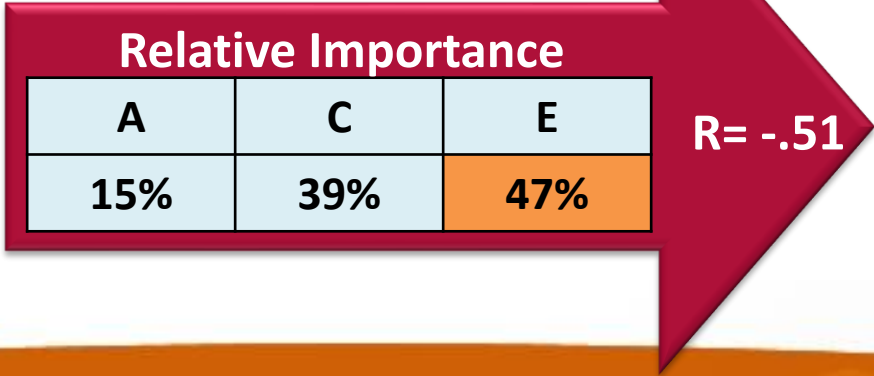
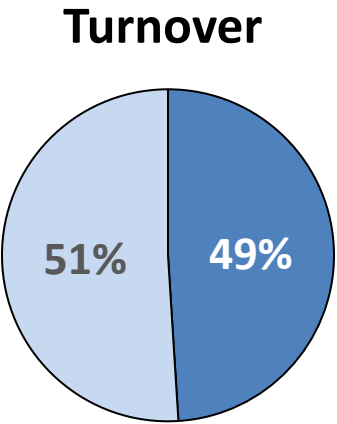
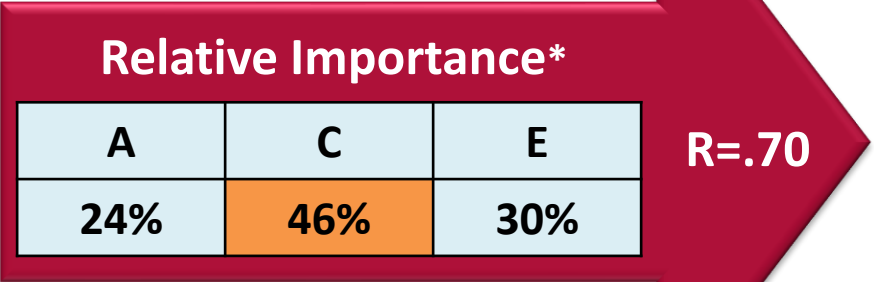
**...and up to \$24 million in profits.**





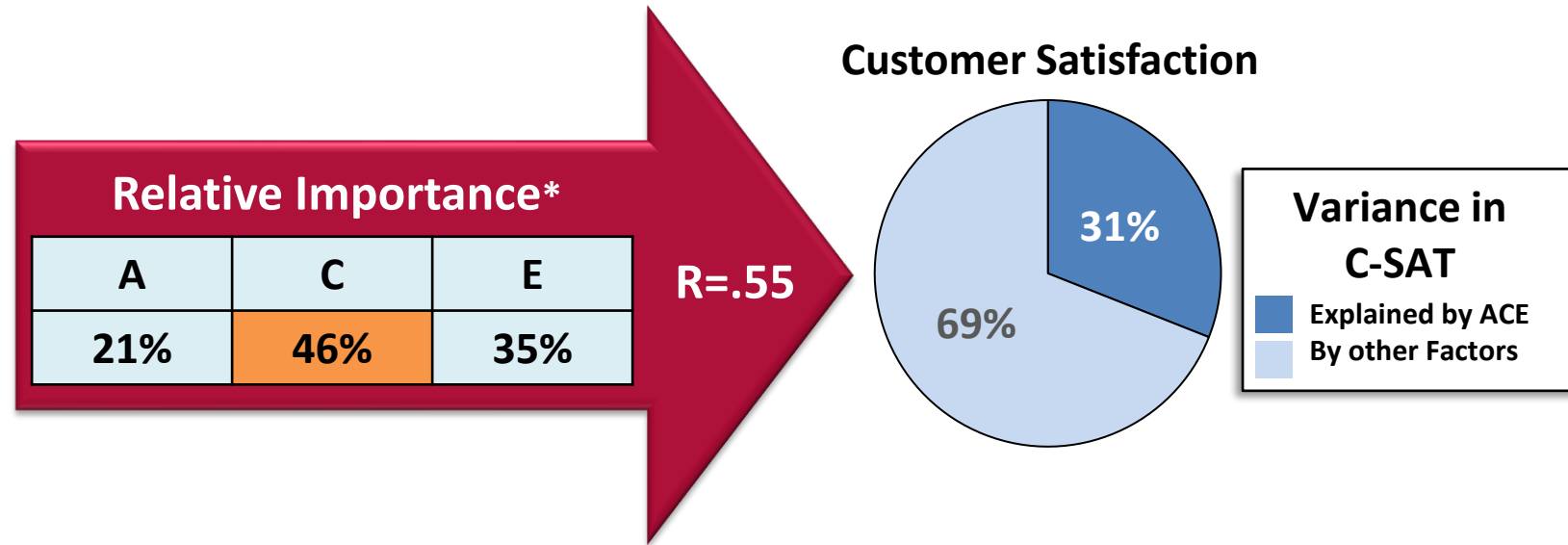
# Understanding drivers for crew...

Employee Alignment,  
Capabilities & Engagement  
**(ACE)** in restaurants  
linked to key  
**people outcomes**

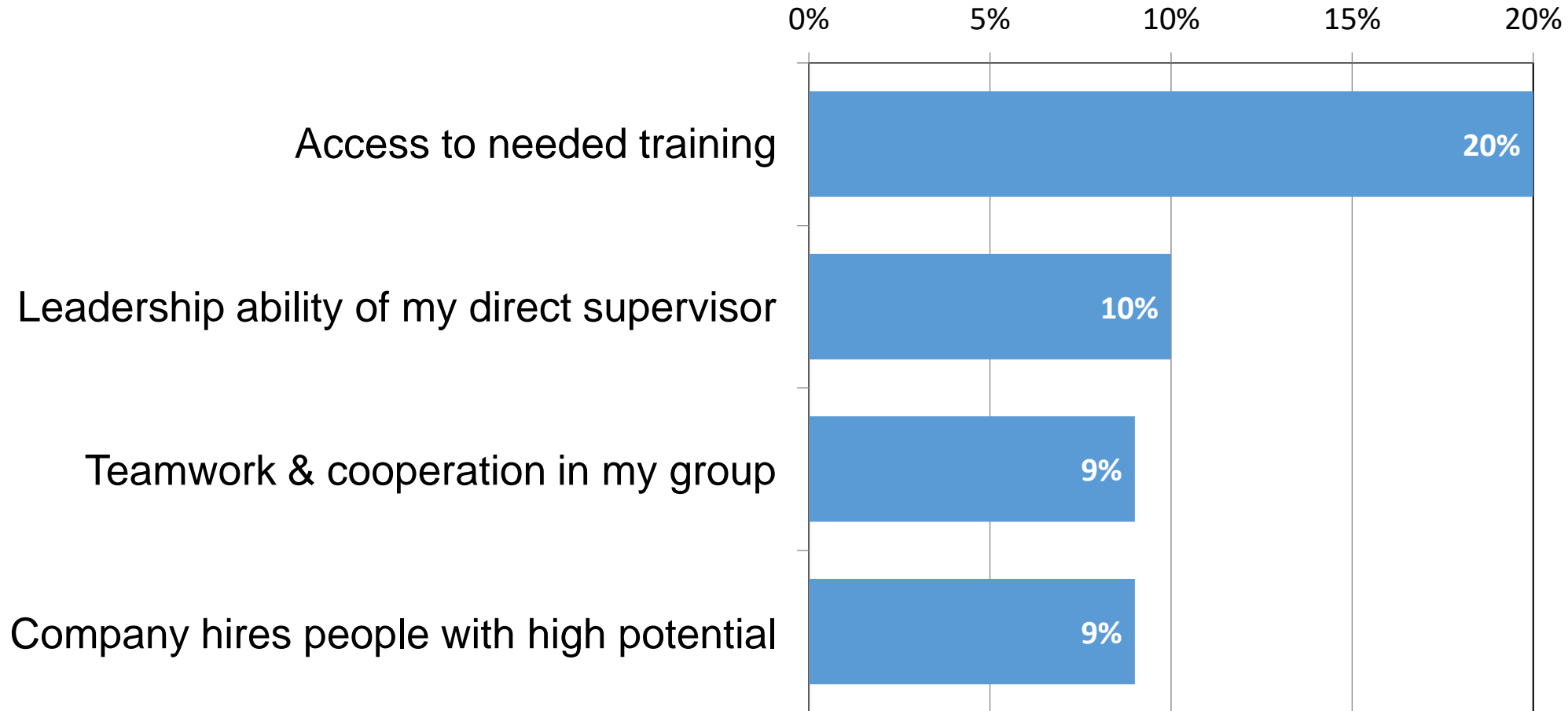


\*Importance is derived using the Relative Weights Analysis methodology.  
\*\*Labor as a percent of sales.

Employee Alignment,  
Capabilities & Engagement  
**(ACE)** in restaurants  
linked to  
**customer  
outcomes**

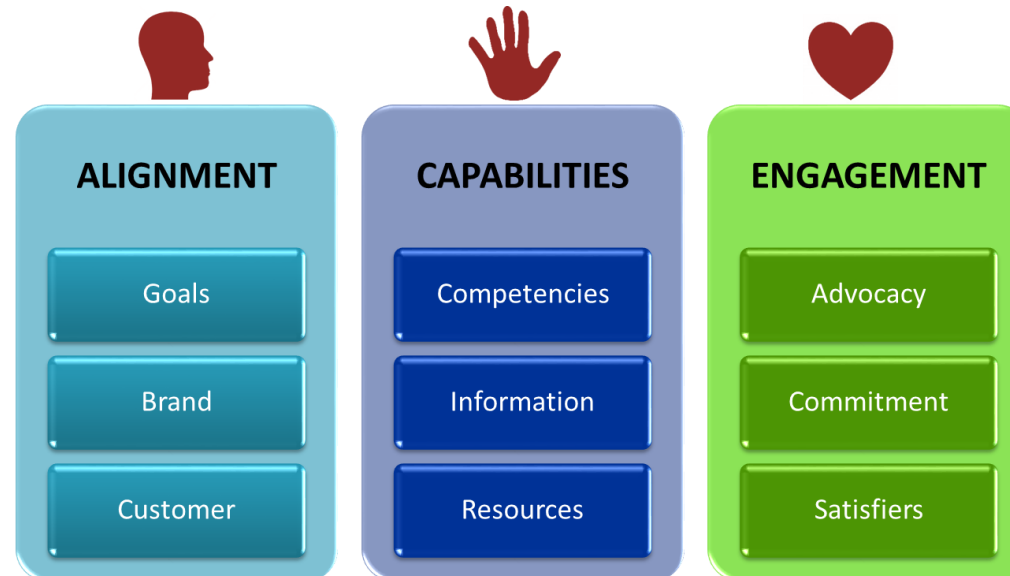


With **Capabilities** the biggest driver of turnover and C-SAT, what actions or investments would be most productive?



# A wide range of actions were deployed

- Redesigned role of district managers
- Refined restaurant manager training programs
- Aligned the leadership model (head, heart, hands) with ACE



...led to multiple positive business impacts

# HIGH ACE RESTAURANTS PERFORM BETTER

TURNOVER  
21%

PRODUCTIVITY  
2.3%



# HIGH ACE RESTAURANTS DELIVER BETTER SERVICE

**GUEST  
PROBLEMS**  
14%

**GUEST  
SATISFACTION**  
5 POINTS

**PROBLEM  
RESOLUTION**  
56%



# HIGH ACE RESTAURANTS HAVE BETTER OUTCOMES

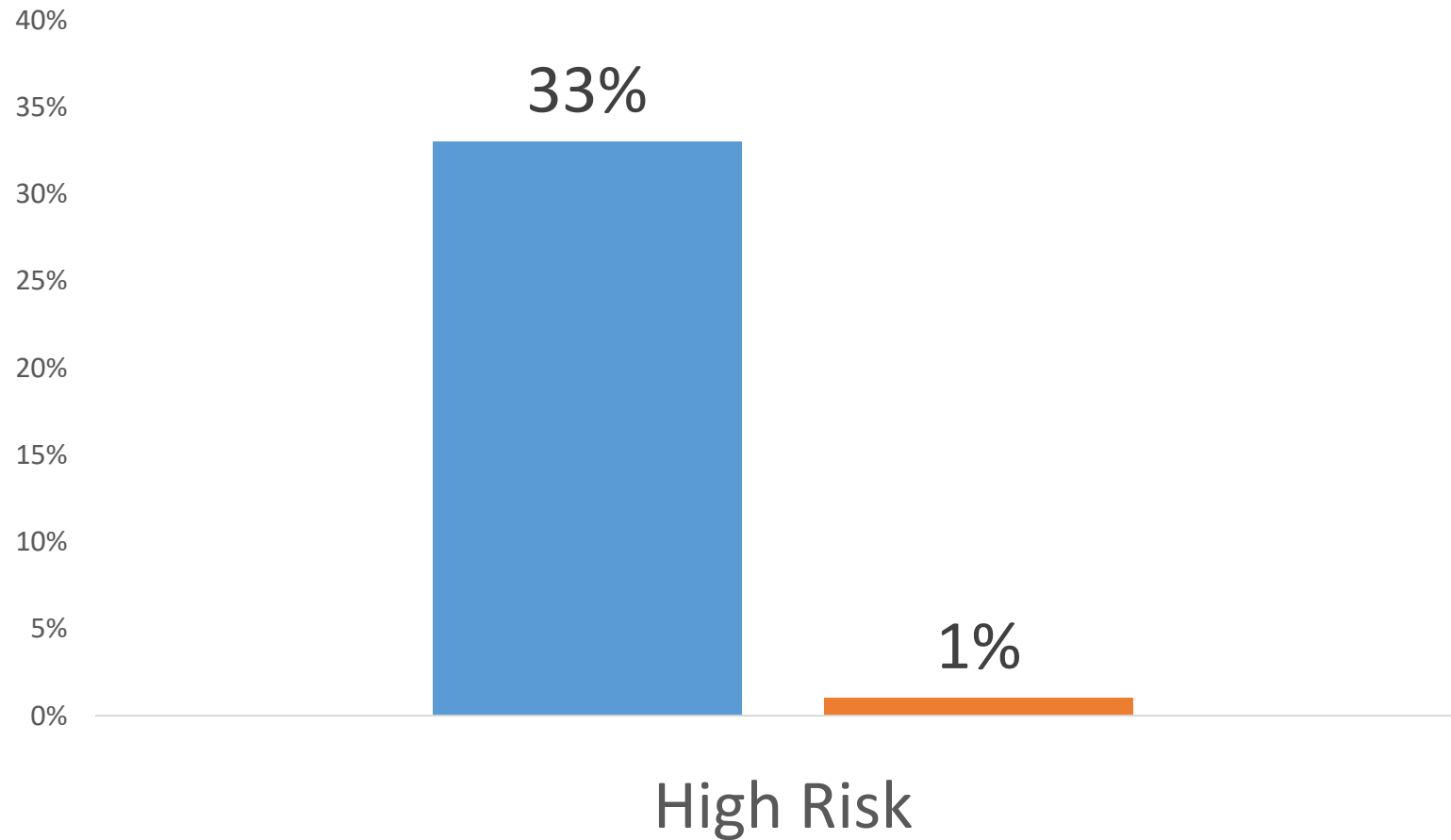


**SALES**  
10%

**PROFIT**  
30%

# Summary

Change in ACE High Risk Profiles Over Time





# Questions



# Employee Well-Being and Business Resilience Survey

- Free Pulse survey to connect organizations and employees during these challenging times
- Available in 13 languages
- Helps leadership understand what specific challenges their employees are facing, whether they have what they need to work effectively while operating remotely, and if critical messages are getting through.
- This survey, which will always be free, will be updated and adapted to take the pulse of your employees as this global pandemic and quarantine evolves.



# Connecting Employees and Organizations

At OrgVitality, we are experts in designing projects that are linked to **strategy**, generate useful **insight**, and drive positive **action**. Now, more than ever, organizations need to listen to and learn from their employees.

We can help.



## Surveys

- Strategic Employee Surveys
- Pulse/Continuous Listening
- Lifecycle
- 180 and 360 assessments
- Internal Customer Experience

## AI-Driven Action Tools

- Action Prioritization
- Nudges
- Comment Analysis