

Bringing it to Life: Global Talent Scout, Convener & Coach



PEPSICO



“LeADing Talent Management into the Future”

Summary

The role of Talent Scout, Convener, and Coach began to be realized at PepsiCo in 2010, when a talent architecture called LeAD (Leadership Assessment & Development) was introduced. The purpose of LeAD was to integrate talent identification, selection, management, & development into a consistent and comprehensive framework that would fully transform PepsiCo’s talent systems from art to science, moving the company boldly into 21st century, evidence-based talent practices.

What makes PepsiCo’s LeAD architecture unique is that it provides a single, end-to-end framework, based on a single leadership model and methodologically aligned leadership assessment tools that are used throughout the 263,000-person organization, at all levels, throughout all stages of the employee life cycle, from hire to retire.

PepsiCo’s CHRO, Cynthia Trudell, and VP of Global Talent Assessment & Development, Allan Church, describe this advanced approach to managing talent.

Industry: (Consumer Products: Food & Beverage)

Ownership: Public

Annual Revenue: \$63.06B

of Employees: 263,000

Description: PepsiCo is a global food and beverage company with a complementary portfolio of brands, including Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana. Through its operations, authorized bottlers, contract manufacturers and other third parties, it makes, markets, distributes and sells a variety of beverages, foods, and snacks, serving consumers in more than 200 countries.



Links

[PepsiCo's website](#)

[2016 SIOP Presentation on PepsiCo's Integrated Talent Management System](#)

[HRPS Journal article: PepsiCo's Integrated Framework for Identifying HiPo Talent](#)

PepsiCo Global Talent Scout, Convener & Coach Profile (CONTINUED)



PepsiCo's Integrated, Evidence-based Talent Ecosystem

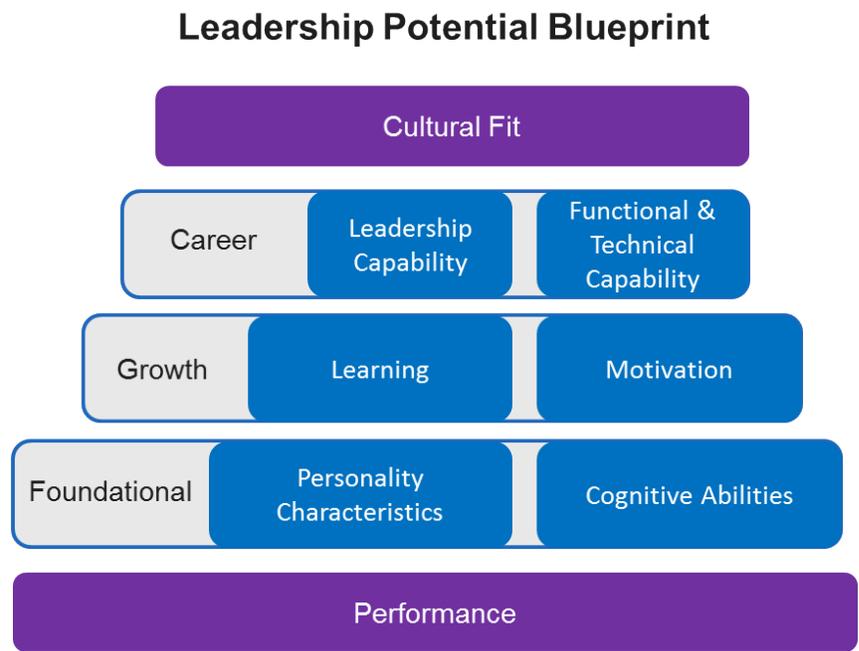
The Approach: Seven years ago PepsiCo embarked on a journey to enhance the level of objectivity, consistency, rigor, and impact of their talent management processes at a total systems level. This effort has resulted in a number of significant changes and a fundamental realignment of the HR function to enable growth and development across the entire employee life-cycle. A key enabler of this shift has been the introduction of a fully integrated, evidence-based assessment and development process that addresses the key question of how to identify the best and brightest talent and ensure they achieve their full potential. This process, called the Leadership Assessment and Development (LeAD) program, is based on the latest thinking on leadership potential in the field of Industrial-Organizational Psychology and provides a compelling example of PepsiCo's transformation into a Global Talent Scout, Convener, and Coach of the future.

The Principles: The underlying principles behind the LeAD framework are quite straightforward: (1) people differ in their inherent potential and capabilities, some of which are more easily developable (e.g., leaderships behaviors, functional skills) than others (e.g., personality, cognitive abilities); (2) the significance of these individual factors in predicting future success differ depending on the stage of someone's career; (3) data-based insights on different competencies collected from multiple sources (defined as a multi-trait multi-source method or MTMM approach) provide a more balanced picture of employees' strengths to leverage and opportunities to enhance than any single leadership trait or measurement tool; (4) enhanced self-awareness drives behavior change and new skills which in turn lead to growth and

development for both the individual and the organization as whole; and (5) these processes are only as good as the extent to which they are integrated with the overall talent management infrastructure and championed by senior leadership.

The Concepts: While many organizations take advantage of assessment and feedback tools, what makes PepsiCo’s LeAD approach different is that it is grounded in two important constructs. The first is a new cutting edge model of leadership potential called the **Leadership Potential Blueprint**. Developed by Dr. Allan Church, PepsiCo’s Senior Vice President of Global Assessment and Development and his colleague Dr. Rob Silzer, Managing Director at HR Assessment and Development and Professor at Baruch College – The City University of New York, the *Blueprint* represents the synthesis of over 50 years of theory, research and practice in the area of identifying and developing high-potentials in organizations. In a nutshell, the *Blueprint* addresses the question not only of “what is a high-potential?” but also and more importantly, “potential for what?” That is, it outlines the fundamentals of global potential for success and also illustrates that different capabilities are needed to be successful in different roles.

It outlines three key building blocks: Foundational Dimensions (personality disposition and cognitive skills), Growth Dimensions (learning agility and career motivation), and Career Dimensions (leadership and functional skills) that form the basis of how employees develop their leadership capability throughout their careers. Because these dimensions are layered in the



Blueprint from more stable traits to developable skills it enables PepsiCo to truly assess, develop and coach people against the most critical areas of impact for their long-term growth. In addition, the PepsiCo approach to the *Blueprint* recognizes that

sustained performance and cultural fit are important contextual factors that also play a role in employees' long-term career trajectories.

The second key concept underlying LeAD is the use of a new future focused **Leadership Effectiveness Framework** (LEF) that articulates the competencies and behaviors needed for the long-term success of the organization. Based on input and guidance from the CEO,

the Board of Directors, key internal stakeholders, and external thought leaders, the LEF ensures a common language and profile of leadership success at different levels of career progression. Unlike other leadership models, PepsiCo's approach is focused squarely on

what will be needed to be successful in the future (e.g., being a sophisticated strategist, delivering results through collaborative relationships with others across the matrix ,and demonstrating global acumen) rather than on what has made leaders successful today. By integrating the *BluePrint* (growth potential) with the LEF (leadership competencies for the future) the organization is leaning forward in ensuring a holistic platform for developing leaders at all levels.

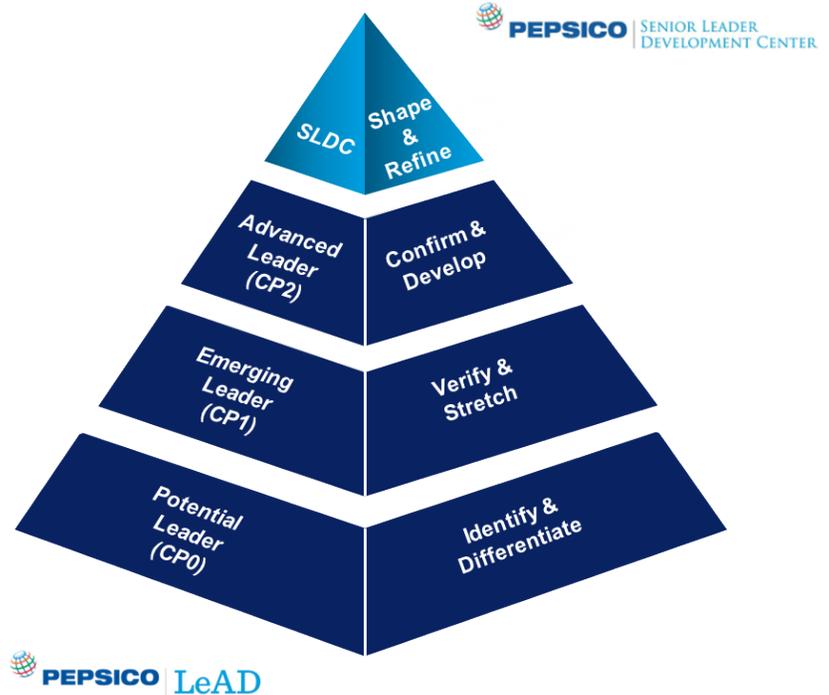


The Program: In order to be a Global Talent Scout, Convener and Coach an organization must seek to embrace and develop the potential of the full spectrum of its talent. PepsiCo's LeAD program takes this approach by offering a suite of assessment and development tools throughout the employee life-cycle. Following the well-known Leadership Pipeline construct, they have structured the approach according to four key "checkpoints" targeted at different stages or key transition points. The underlying content measured using the *BluePrint* and *LEF* is the same across all levels of the organization, which is critical for ensuring a consistent and objective process; however, each checkpoint is designed for a specific purpose. This

design results in a different level of emphasis being placed on the various dimensions of potential from the *BluePrint* as well as the leadership competencies from the LEF at different levels in the suite of assessment and development efforts.

The purpose of the first checkpoint, called **Potential Leader**, is to identify and differentiate more junior talent. The emphasis here is heavily weighted on

Foundational and Growth capabilities, as these are most relevant to general potential across any number of leadership roles this talent might one day fill. In short, this is how the organization finds its “diamonds in the rough.” They offer the program broadly to thousands of employees who meet basic thresholds of performance over time. The assessments are all done on-line and all participants receive developmental feedback and coaching from managers as part of the process. In line with their emphasis on self-awareness and growth, however, when invited, employees must elect to “opt-in” to the program and over 85% have chosen to do so.



The second checkpoint, called **Emerging Leader**, is designed to verify and stretch talent to help them achieve their potential in larger leadership roles. Here the measurement becomes more balanced including Career elements (leadership and functional competencies) along with Foundational and Growth as this is truly a tipping point stage for many professionals. The process is again all done on-line and includes such tools as 360-degree feedback, personality measures, a cognitive reasoning test, and a custom business simulation where participants act as a region president or sales leader. Custom feedback and development planning follow and the results are integrated into individual career plans and learning and development efforts.

The third checkpoint is called **Advanced Leader** and is intended to confirm and develop the future leadership potential of those identified by the business to

participate. To support this goal, it adds a comprehensive all-day assessment center along with the previously mentioned suite of measurement tools. The emphasis is balanced across the *BluePrint* but there is a much greater importance placed on key aspects of learning and leadership and how those interact in real life settings. Following the program, individuals receive deep feedback and customized career development roadmaps targeted at their future destination roles. Further, the results are a key component of the broader talent management and planning processes, and the nuances of performance on individual leadership competencies are analyzed to determine fit for specific roles.

Finally, the fourth checkpoint, called the **Senior Leader Development Center (SLDC)** represents the top of the house suite and is focused exclusively on shaping and refining leaders for ascension to the senior most roles in the organization. For this program the emphasis shifts to enhancing mutable leadership capabilities that are most critical for each leader's role and individual organizational context. Feedback is delivered in-house given the subtleties of development at this level. A related but slightly different combination of 360-degree feedback, personality tools, situational interviews and a custom CEO simulation provide the data-based insights used for coaching and individual one-on-one development with PepsiCo Industrial-Organizational Psychologists.

In summary, each level of LeAD has been grounded in external theory on the nature of future leadership potential, designed using consistent principles, validated and linked to those leadership behaviors that predict future success at PepsiCo, and implemented using a high touch and high-rigor MTMM process.

The End Result: According to Cynthia Trudell, PepsiCo's Executive Vice President and Chief Human Resources Officer, the implementation of a systematic, evidence-based, scalable talent assessment and development model that can be used at all levels of the organization has created a number of competitive advantages for the company.

First, the LeAD model has enabled PepsiCo to more efficiently and effectively select, develop and deploy its talent by creating greater visibility into the strengths, opportunities and long-term potential of employees across all levels in the pipeline. For example, in just the last two administrations the Potential Leader program has identified over 850 early career employees globally across all functions and business

sectors with significant levels of raw potential for future growth. Second, it has provided PepsiCo with strategic insights into its overall “talent inventory,” allowing the company to gauge the robustness of internal bench and compare internal talent readiness to that of external candidates. Finally, the LeAD architecture has enabled PepsiCo to deliver on the career promise it has made to its people through the implementation of a consistent, rigorous, future-focused assessment and development model. The use of objective data to assess potential reduces the possibility of biased decisions, providing a more level playing field supporting the company’s commitment to diversity of thought, styles and backgrounds.

LeAD has enabled the company to predict who its true future leaders are with greater precision, and to provide targeted development across its global operations that will have the greatest impact on both individual leaders and the larger organization. With this level of sophistication and integration across the talent lifecycle, it is easy to see why PepsiCo is leading the way in the journey towards realizing the potential of organizations to be Global Talent Scouts, Conveners, and Coaches.