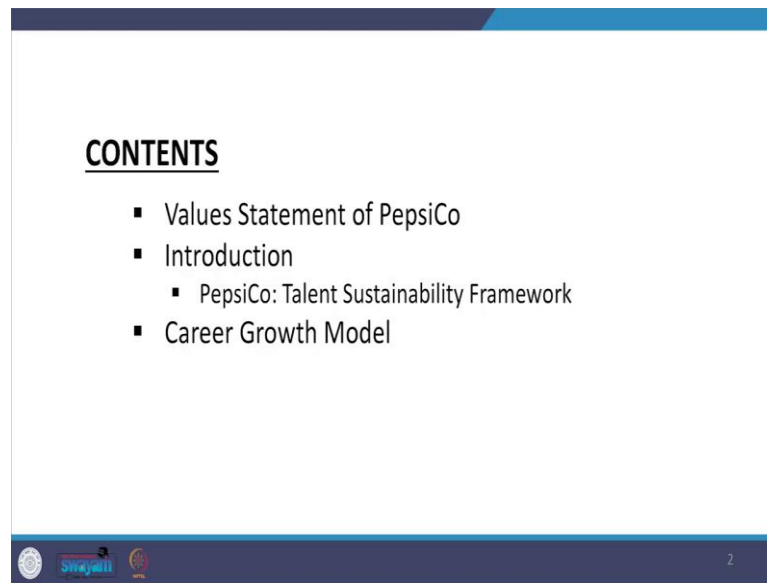


Talent Acquisition and Management
Prof. Santosh Rangnekar
Department of Management Studies
Indian Institute of Technology, Roorkee

Lecture - 49
Talent Management at PEPSI CO. – I

Now, we will see the Talent Management practices right at PepsiCo and then how it has been done.

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So, the value statement of PepsiCo's introduction that is how the talent sustainability framework is there and their career growth model.

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1. Values Statement of Pepsi Co.

Corporate Values statement	"Our commitment to deliver sustained growth, through empowered people, acting with responsibility and trust".
Core of the Business Strategy:	"Performance with Purpose."

Growth and development of our people and our leaders

- presents critical component to our success

So, when we are talking about the value statement of PepsiCo, is there about the talent management practices the corporate value statements that are the core of the business strategy. What is that? The corporate value statement is our commitment to deliver sustained growth through empowered people acting with responsibility and trust.

Now, you see that is what we have studied in theory, and what has been the statement here is there. So, what are we talked about? That is we have talked about that new employee that has to be empowered, and they should be welcomed, they should be a part of the family right.

So, they are onboarding; onboarding is becoming very, very important as per the vision of the organization. And, that vision of the organization will be our commitment to deliver sustained growth naturally. You know, an organization is looking for what?

The organization is looking for sustained growth is there. And, through empowered people, empowered people means that is organization is given them empowerment. That is ok, and you go ahead; we take decisions and acting with responsibility and trust. So, what talent is looking for that is the responsibilities they are looking for? They give us responsibility, empowered as we will do the job, that is a talent the features right. And, in that case, if somebody fails, so trust is there.

That there is no intention to fail, but he is new he has to learn right. So, definitely, these are the types of incidences they are part of these practices. So, the core of the business

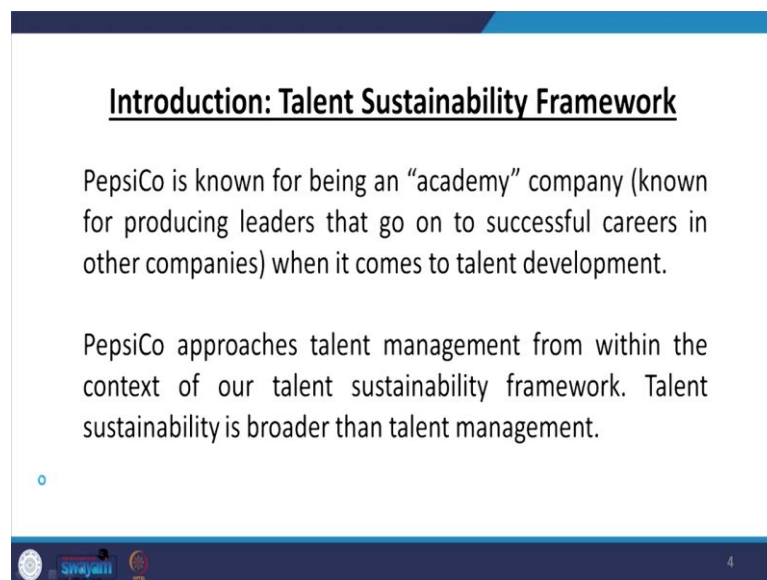
strategy is performance with purpose right. That is how that performance with purpose is there, and in that case, they whatever we are doing.

Even if you are doing with the mistake, mistakes the purpose is to benefit the organization. It was not done for any personal interest; rather than it is done that risk has been taken for the benefit of the organization. The growth and development of our people and our leaders presence the critical component to our success, and this is very, very important. So, here it is the whatever the growth and developments are there.

Because organization, the professional organizations no, that is they will grow organization will grow only when people will grow. And, when people will grow, the organization will grow; people also know there is when the organization will grow we will again grow; it is a vicious circle.

So, the growth of the individuals' growth of the organization, so they are dependent on each other. It is not isolation that people will grow organization shrinks, no. The organization grows, people's growth is suppressed; no, it has to be working together. And, then that growth and development of our people and our leaders that is the critical components of Pepsi's success.

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Introduction: Talent Sustainability Framework

PepsiCo is known for being an “academy” company (known for producing leaders that go on to successful careers in other companies) when it comes to talent development.

PepsiCo approaches talent management from within the context of our talent sustainability framework. Talent sustainability is broader than talent management.

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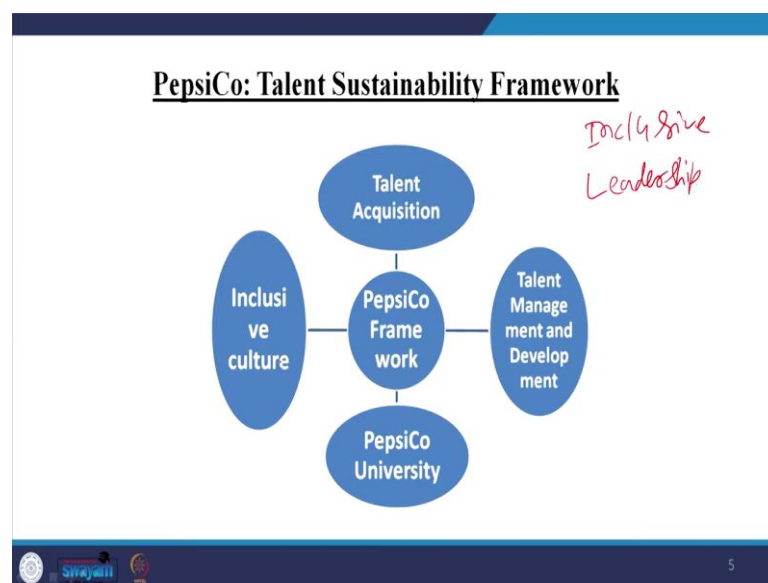
Talent sustainability framework how it works here, PepsiCo is known for being an academic company known for producing leaders that go on to successful careers in other

companies. Academy is an academic company; those who have worked in this company Pepsi then definitely develop the talent, that nurturing talent, that leadership quality. And, then they get the opportunities, and then they are leading very successfully.

When it comes to talent development, then their role their responsibility is very much accepted, and then it has been the concept that is the this is the academy which develops the leaders. PepsiCo approaches talent management from within the context of our talents sustainability framework.

So, there is a requirement of a sustainability framework; if there is a sustainability framework is there then only there will they be able to survive. Talent sustainability is broader than talent management. So, why because talent sustainability means it is a continuous flow, talent management means a particular focus. So, in spite of the vision is not narrow, vision is wider. Vision is not only the sustainability rather than the broader than the talent management is there.

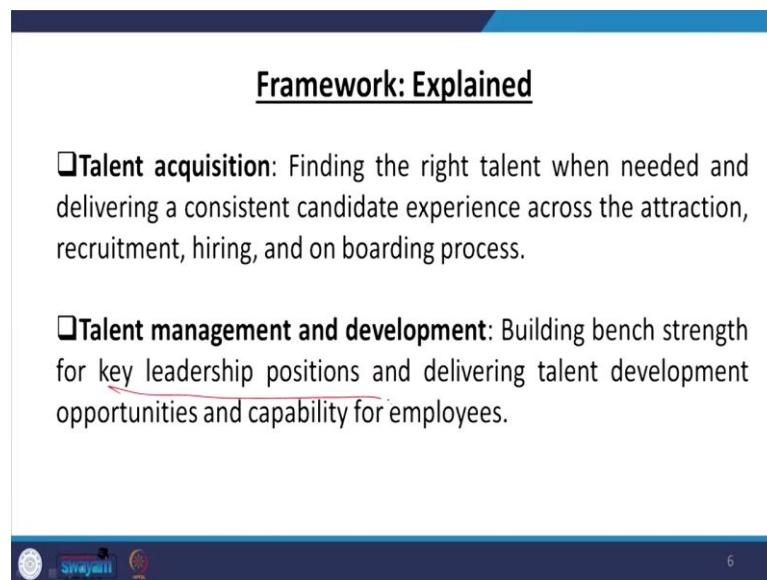
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So, it is there so, what is the talent sustainability framework? Now, I have talked in previous session one terminology, and it is inclusive leadership. So, this inclusive culture, that inclusive leadership is a part of this inclusive culture. Culture is a practice and, what is a practice? Practice is team building and inclusive leadership.

So, therefore, that framework whenever they are having the talent acquisition, after talent acquisition, the talent management and development of the talent is there, acquisition and development right. And, this is involving the inclusive culture, and that is the PepsiCo university is there.

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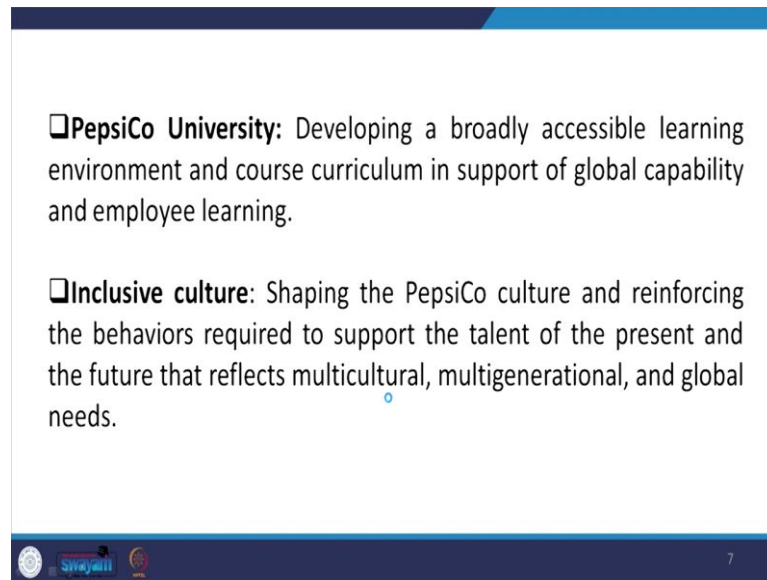
So, theoretically, talent acquisition is finding the right talent when needed, and delivering a consistent candidate experience across the attraction, recruitment, hiring, and onboarding process. I am sure now you are comfortable with these terminologies talent attraction, recruitment and talent-hiring, and onboarding process.

Talent management and development are there. Building bench strength for the key leadership positions and delivering the talent development opportunities and capabilities for employees. So, this particular that key leadership positions right, that is the route right.

That is the flow because that will deliver talent development opportunities. So, at the leadership post position, when you find that is that particular authority is basically interested in developing the talent, in attracting the talent for the organization, it is a nurturing the talent, it is a development of the talent.

And, then becoming the academy of talent, let them go and do the leadership at other places; they go like ambassadors right. So, therefore, these key leadership positions delivered talent development opportunities and capabilities for the employees.

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PepsiCo University: developing a broadly accessible learning environment, there is what type of the learning environment is there. And, course curriculum that is the teaching them right, and making them understanding in support of global capability and employee learning. So, the PepsiCo University tries to develop at an environment related to the philosophy of the Pepsi. And, what is the philosophy we are talking about here is the that is the nurturing the talent, inclusive talent, inclusive leadership.

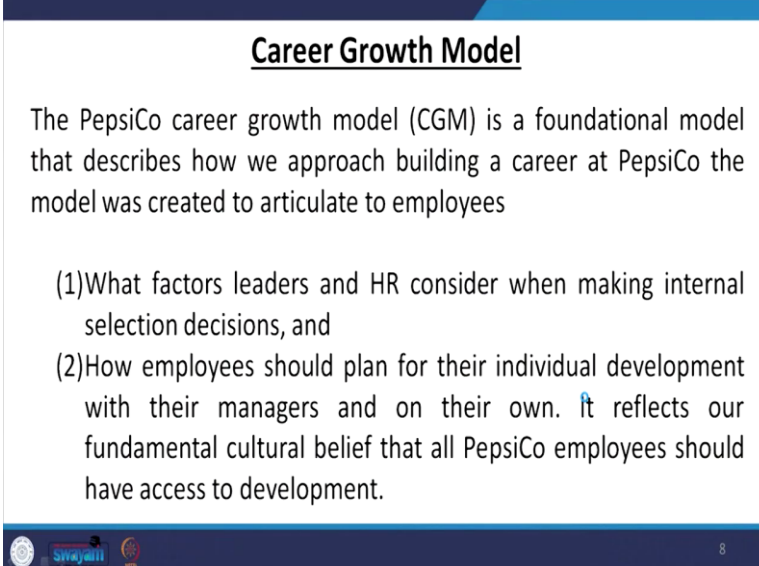
And, therefore, the PepsiCo university tries to develop a particular course curriculum that will be helping the nurturing, acquisition, nurturing, development, and compensation for the talent. The inclusive culture which I have was talking about the word inclusive is there.

Shaping the PepsiCo culture and reinforcing the behaviors required to support the talent right. So, therefore, the employees are already working there, and those employees they required the that is support from the management. So, that the talent of the present and the future, so they reflect that multicultural, multi-generational and the global needs.

A very serious efforts are met in an inclusive culture. So, that this is multicultural and multi-generation, so these global needs are fulfilled. Then the career growth model the PepsiCo career growth model is a foundational model that describes how we approach building a career at PepsiCo.

So, therefore, this company they try is the, when you are acquiring the talent, now naturally what we want? We want to get them to develop; the growth and talent mean there. And, the model was created to articulate to the employees. So, what is that model is the career growth model is there. So, earlier we have talked about that is how PepsiCo is working with inclusive leadership.



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Career Growth Model

The PepsiCo career growth model (CGM) is a foundational model that describes how we approach building a career at PepsiCo the model was created to articulate to employees

- (1)What factors leaders and HR consider when making internal selection decisions, and
- (2)How employees should plan for their individual development with their managers and on their own. It reflects our fundamental cultural belief that all PepsiCo employees should have access to development.

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Now, we talk about how PepsiCo is developing a model of the career growth model. What factors leaders and HR consider when making internal selection decisions? So, first and foremost is that is whenever internal selection decisions are there, what are the parameters? What are the benchmarking practices? What are the factors which affect the internal select decision is there? And, therefore, that is the HR and the management that decide about.

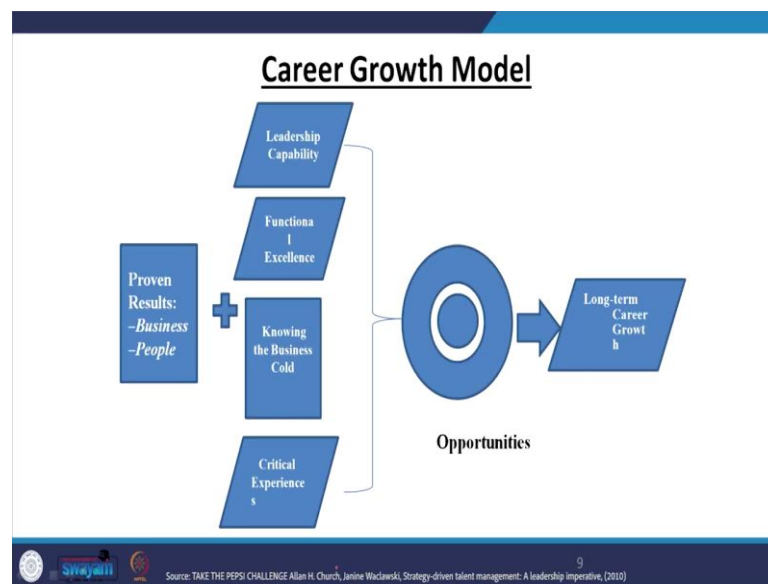
How should employees plan for that individual development with their managers and on their own? This is also very, very important because the internal development, internal employees development that has to very much focus one. And, when it is a focus one, then you are able to develop making the development with their managers. It reflects our

fundamental cultural belief that all PepsiCo employees should have access to development.

So, this career growth model is universal for all the employees in the organization, and this is not only specifically targeted to some of them or a few of them. Rather than it reflects the fundamental cultural belief that all PepsiCo employees should have access to the development is there.

So, how this career growth model works? So, here first and foremost is that is the proven results, business, and people. That leadership, what is required? It requires the business and people; here, we find the leadership capabilities. And, therefore, in that case, it is the, they are getting these leadership capabilities by the all the employees those who are working with the, within the company and developing the right.

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Giving them the opportunities that are the, how they are can develop those leadership capabilities are there. Then the functional excellence, the what type of work they are doing? They might be working on the different verticals, for example, finance, marketing, HR, operations, IT right, and so many commercial and all.

So, therefore, that functional excellence is always the first condition, dear friends. That a whenever we are talking about this these type of these companies where the overall

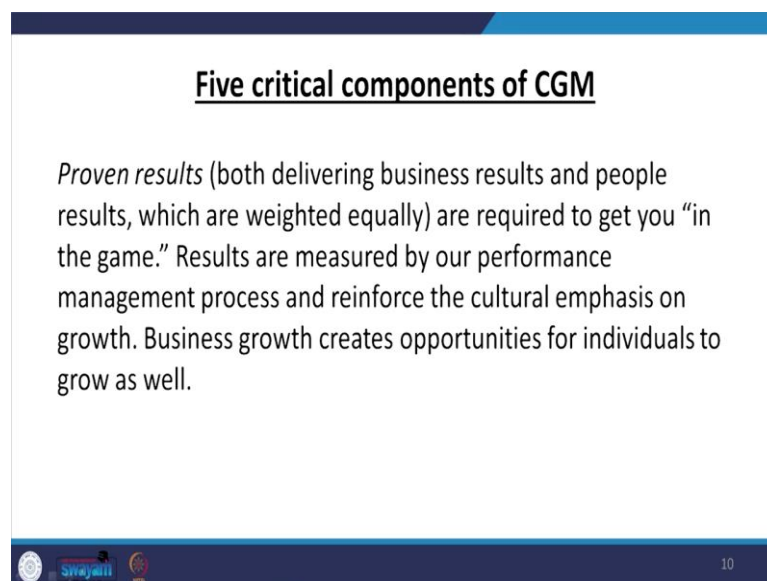
development and excellence is a criterion, and then, in that case, it is functional excellence is a minimum requirement.

Knowing the business cold and therefore, also having the knowledge about that is where is the, there are the strengths and weaknesses. Where are the positively, where is the negativity into the company's businesses? Then, critical experiences, certain experiences which during the job which have been the unique one or either our decisions, that is a profit or loss decisions, and then how the organization has taken those decisions are there.

So, here when we talk about these dimensions of leadership capability, functional excellence, knowing the business cold, and the critical experience, all these create the opportunities. Because they have a focus on the business and people, here we are talking about people development.

So, leadership capabilities are becoming very, very important when you are talking about the business, that functional excellence that is making the more important. And, a knowing the business cold about the business, and then the critical experiences. So, whenever these types of issues are there, that will create opportunities for long-term career growth.

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Five critical components of CGM

Proven results (both delivering business results and people results, which are weighted equally) are required to get you "in the game." Results are measured by our performance management process and reinforce the cultural emphasis on growth. Business growth creates opportunities for individuals to grow as well.

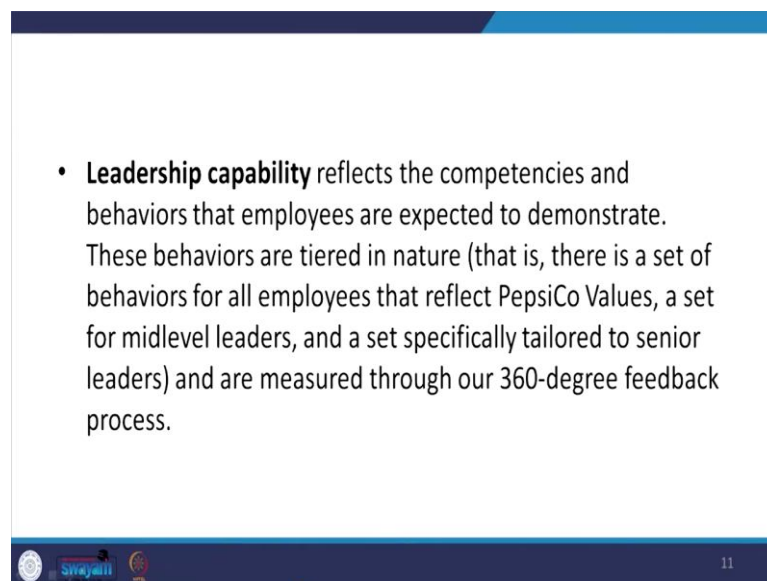
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So, critical growth model proven results, both delivering business results and people results, which are weighted equally, are required to get you in the game. Results are measured by our performance management process and reinforce the cultural emphasis on growth.

So, performance measurement will be there, and then it will be giving the emphasis on that whatever the cultural aspects are there. Business growth creates opportunities for individuals to grow as well; as I mentioned, it is always two individual growth and organizational growth. Not only organizational growth, not only individual growth.

The leadership capabilities in that model that is the competencies in behaviors that employees are expected to demonstrate. These behaviors are tiered in nature; that is, there is a set of behavior for all employees that reflect PepsiCo values.

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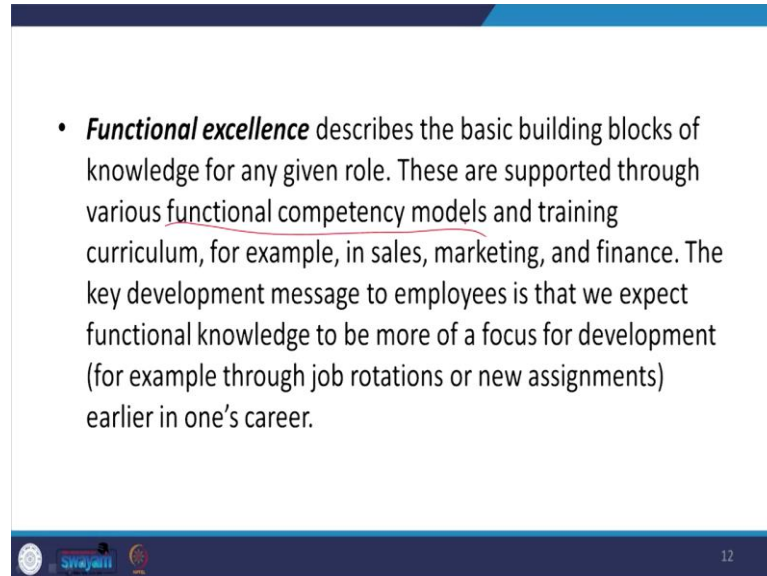


A set for the middle-level leaders and a set specifically tailored to the senior leaders is there; customized, tailored means customized here. And are measured through our 360-degree feedback processes. So, here in the leadership capabilities leader, they themselves have to judge.

That is whether that they fulfill those 360-degree parameters or not. And, if they; if they fulfill then there are feedback process that will help to develop the leadership

capabilities. The functional excellence describes the basic building blocks of the knowledge for any given role.

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These are supported to the various functional competency models and training curriculum. Now, here it is important that is this type of these developments you know organizational developments. Those organizational developments through the first and foremost is the functional competency models.

Dear friends, we have to understand that talent has to demonstrate excellence in functional competency. What is that functional competency? That you learn from the different sources, maybe from lecture sessions, maybe from social media, maybe from the book, journals, exercises, business, games, etcetera. But, nothing can be compensated, then the functional competency. Functional competency, if you are able to do your function as per the requirement of the organization, it is done.

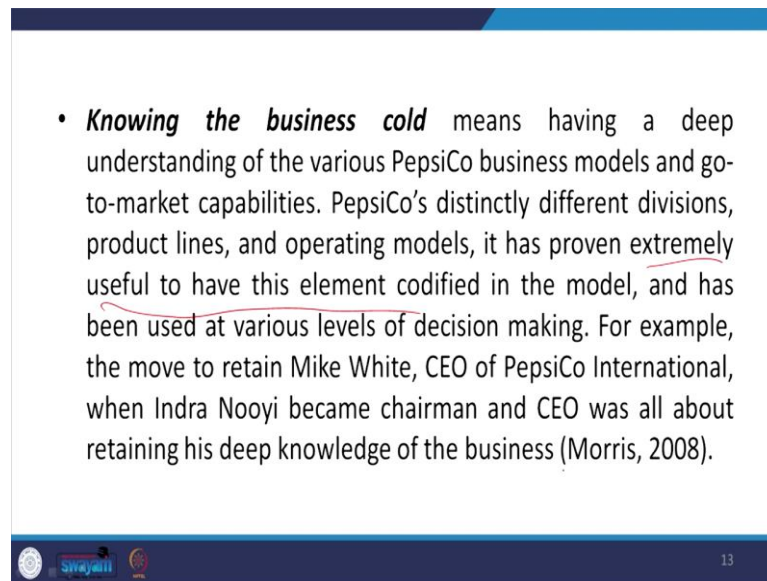
And, naturally, with the period of time, there will be certain training requirements, so the training curriculum is there. For example, in sales, marketing, and finance, this is becoming important. The key development message to an employee is that we expect functional knowledge to be more of a focus for development.

Specially, it is a task if you are excellent in a task, you will be having the focus of development. If you are weak in your task, there will be problems; speed will be

different. So, my submission is that it is always focused on functional knowledge to be more of a focus for development, what is my functional knowledge, and what I have to do.

For example, through job rotations are the new assignments are there in this particular job earlier in one's career. Knowing the business cold means having a deep understanding of the various PepsiCo business models and go-to-market capabilities.

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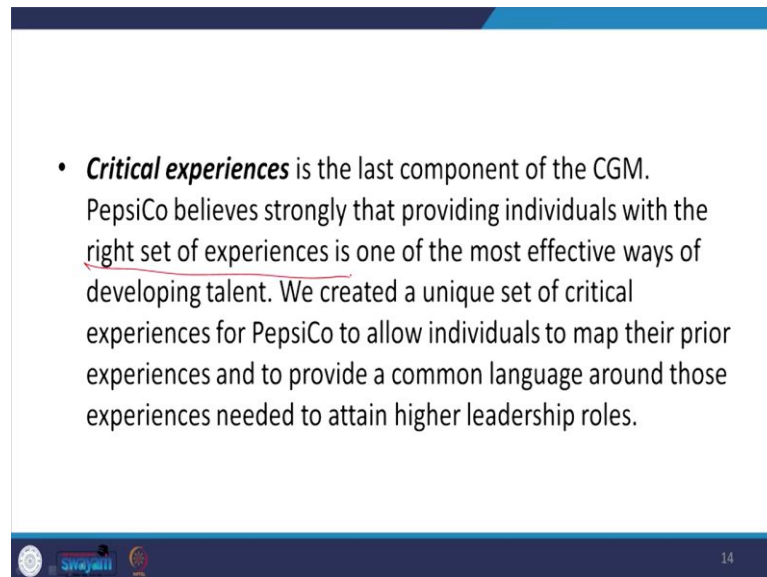
Know your organization knows different models, business models, how the organization works. And, if you want to continue in that organization, you have to adopt that; you have to be smart enough, right. So, therefore, deep understanding of the various PepsiCo business models and go-to-market capabilities. PepsiCo's distinctly different divisions, product lines, and operating models, it has proven extremely useful to how this element codified in the model and has been used at various level of decision making.

Naturally, whenever we have to talk about the extremely useful to have this element right. And has been used it various levels of decision making. For example, the move to retain Mike White, CEO the PepsiCo International, when India and Indian Indra Nooyi became chairman.

And CEO was all about retaining his deep knowledge of the business is there. I always tell the students that it is the, it is the; the move to retain the Mike White CEO of the

PepsiCo International when Indra Nooyi became the chairman and CEO was all about retaining his deep knowledge of the business is there. And, definitely that right to retain the Mike White it is because of is the knowledge of the business is there. And, I always say that is knowing the business cold nothing can be compensated.

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Critical experiences are the last component of the critical growth model. PepsiCo believes strongly that providing individuals with the right set of experiences this is also very much important. Like you see, that is the many people with their different academic backgrounds, when they join any organization they find that is the their that academic background, and that at knowledge is not workable into the what job has been offered, and that is a very sad situation.

So, here it will be becoming very important that is the individuals with the right set of experiences, is the very important is one of the most effective ways of developing talent. So, there this is to be kept in mind the focus one, understanding, what is my job role, what I am doing, what is I am expected to do, what I will be expected to do in future, what is expected my role is responsibility is subordinate, superior, and colleagues. So, therefore, that will be helping to develop the talent.

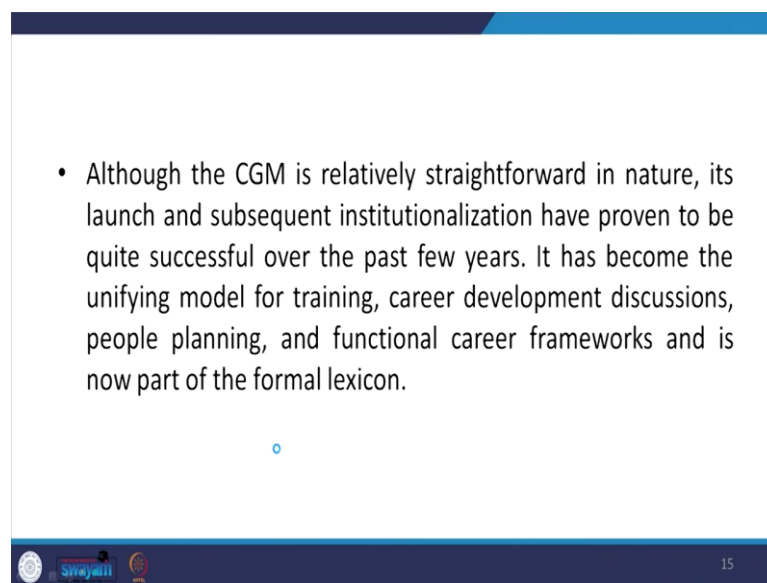
We created a unique set of critical experiences for PepsiCo to allow the individual to make their prior experiences and to provide a common language. So, therefore, map their

prior experiences mapping like in the case of the knowledge management, when we talk or the knowledge portal, knowledge window right.

And, therefore, there will be the knowledge centre, knowledge centre in within the organization itself. So, map their prior experience and provide a common language. So, that is about the knowing about the different the way the jobs are done that is a common language is to be done.

Around those who experience at higher leadership roles, your top management and yourself they should speak the common language. If they speak the common language, they will attend the high leadership goal because they are in a tune-up, tune-up with the top management in the organization. So, by the functions also, by the language also and therefore, that will be the leadership role will be there. Although, the CGM is literally a straightforward career growth model in nature.

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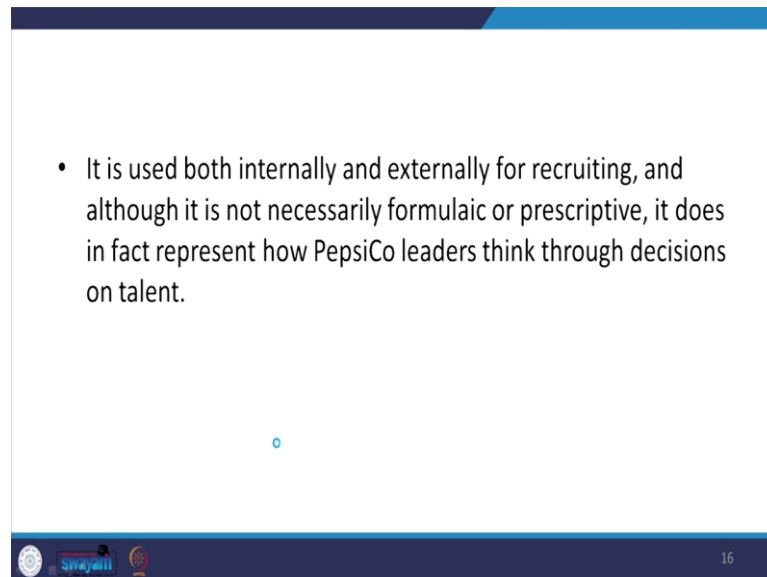


It is launched in subsequent institutionalized hey have proven to be the quiet successful over the past few years right. So, therefore, it seems to be more focused towards the performance, but it has been seen in the long term that is this has become a very successful model over the last few years.

It has become the unifying model for training, career development discussions, people planning, and functional career frameworks and is no now part of the formal lexicon. So,

therefore, in that case, it is very important that how do you train, develop their career, and making use of the people for the functional career framework. Once that has been made clear right, these are the activities, and then definitely we can develop a model successfully.

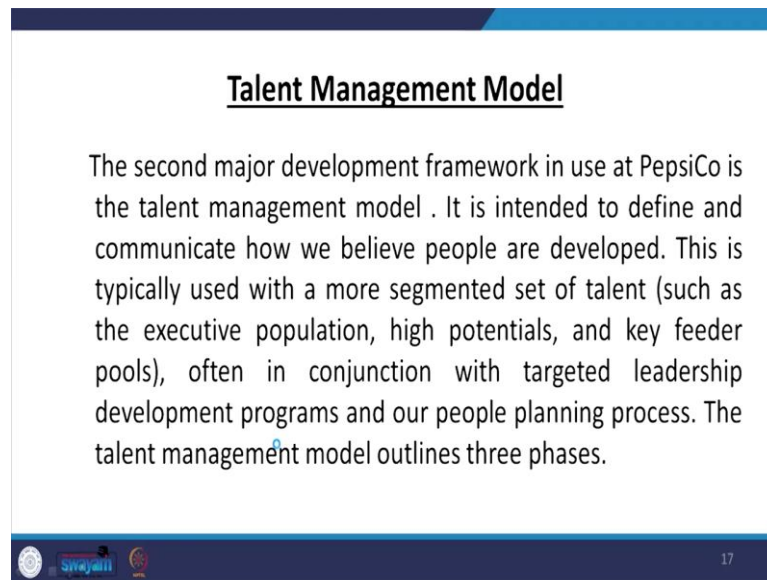
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It is used both internally and externally for recruiting, and although it is not necessarily formulaic or prescriptive, it does, in fact, represent how PepsiCo leaders think through the decision on talent. So, therefore, this type of these represents when they do right, and then it also guides the leaders of the PepsiCo.

That is, this is the model of the organization, and we have to function accordingly. And, therefore, they think through the decisions on talent, and this these cultural practices right, is the development of the man, talent, people that will be giving you the real idea that is how through the decision on the talent the PepsiCo is doing. The second major development framework that can use at PepsiCo is a talent management model, and it is intended to define and communicate how we believe people are developed.

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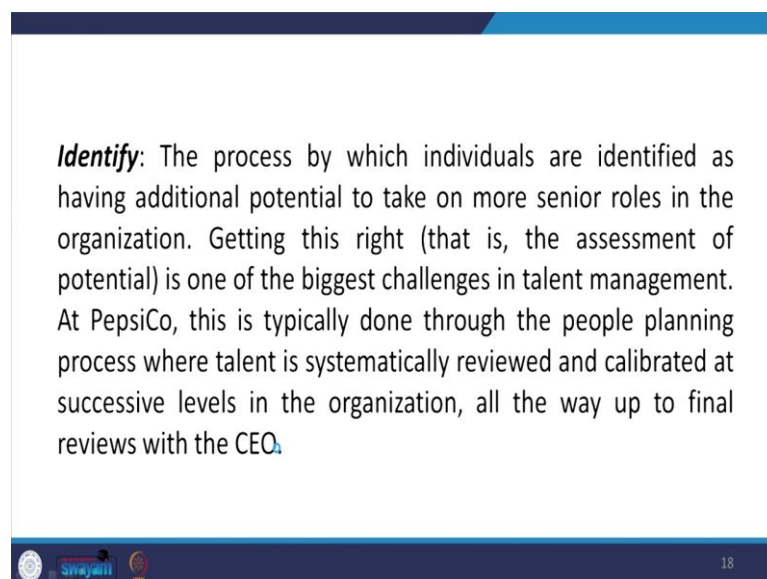
Talent Management Model

The second major development framework in use at PepsiCo is the talent management model. It is intended to define and communicate how we believe people are developed. This is typically used with a more segmented set of talent (such as the executive population, high potentials, and key feeder pools), often in conjunction with targeted leadership development programs and our people planning process. The talent management model outlines three phases.

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Now, with the career growth model and this model talent management model now we will see that is really people have developed or not. This is typically used with a more segmented set of talent such as the executive population, high potentials, what numbers are there, and the key feeder pools are there, like the hiring managers. Often in conjunction with targeted leadership development programs and our people planning process. The talent management model outlines the 3 phases.

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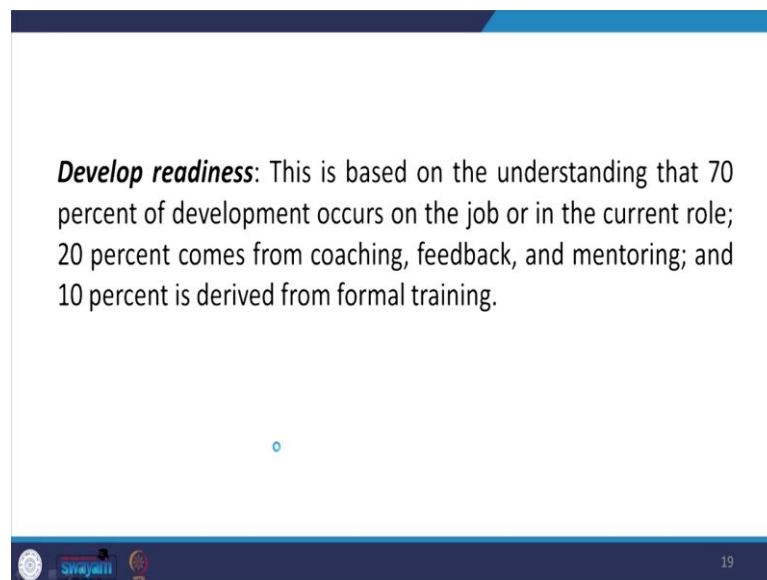
Identify: The process by which individuals are identified as having additional potential to take on more senior roles in the organization. Getting this right (that is, the assessment of potential) is one of the biggest challenges in talent management. At PepsiCo, this is typically done through the people planning process where talent is systematically reviewed and calibrated at successive levels in the organization, all the way up to final reviews with the CEO.

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Identify The process by which individuals are identified as having the additional potential, and then they belong to the next level. On more senior roles in the organization. Getting this right, that is, assessment of the potential, is one of the biggest challenges in talent management.

That is where is a talent is; that is a potential assessment; we have discussed this process earlier also. At PepsiCo, this is typically done through the people planning process, where talent is systematically reviewed and calibrated at successive levels in the organization, all the way up to the final reviews with the CEOs are doing.

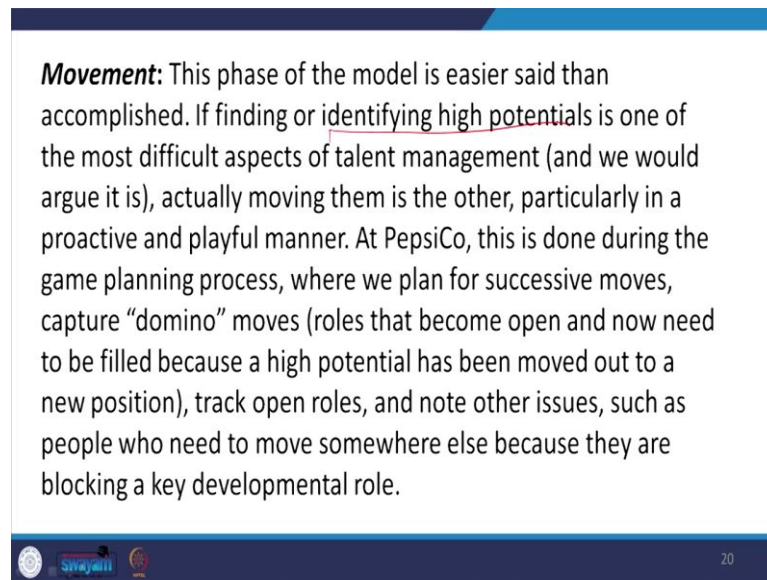
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Second is the develop readiness: This is based on the understanding that 70 percent of development occurs on the job in the current role. So, therefore, we when we are talking about internal talent identification, the internal talent identification that occurs in the job or the current role is there.

Twenty percent comes from the coaching, feedback, and mentoring right. So, that 70 percent of the development job in the current role, 20 percent comes from the coaching, feedback, and mentoring of that particular talented employees. And, 10 percent is derived from the formal training is there, so by this way 70, 20, and 10 right. So, it goes for the development of readiness as a success and planning. The third and last one is that it is a movement.

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This phase of the model is easier said than accomplished, right. So, therefore, how it is becoming easier to say rather than accomplished. If finding or identifying higher potential is one of the most difficult aspects of a talent management right. So, therefore, that assessment and potential appraisal that is not that easy; it requires special skills, knowledge, and practices.

And, we would argue it is; it is difficult, but we argue that it is. Actually, moving them is the other, particularly in a proactive and playful manner. At PepsiCo, this is done during the game-planning process, where we planned for the successive moves, capture domino moves, roles that become open and now need to be filled because the higher potential has been moved out to a new position.

Track open roles and note other issues, such as people who need to move somewhere else because they are blocking a key developmental role. So, this is the just we have to see that is we are planning for the successive moves, [FL] capture domino moves are there. And, because high potential employees that they have to be identified, and they have to move to a new position.

When they have to move to the new position, then only you can track open roles and note other issues that what is there in that particular prescription. And, that is becoming the who need to move somewhere else, this the talent which you have identifying the high potential here right.

And, then one of the most difficult aspects of talent management is there. Once you identified now, you are giving them the roles right. And, therefore, in that roles become open and now need to file I that is they are performing. But, that when they are taking open roles are there, there might be other issues such as the people who need to move somewhere else; it is possible that is there is a requirement at somewhere place as per their capabilities.

So, their capabilities and the requirement of the organization that has to match, and if it is matching, then it will be making the certain move where the developmental role is there. So, therefore, this is all about that is how PepsiCo companies, with the help of these three models, that is, the career growth model are there.

Then, the talent development management model is there, and the exploring the acquisition, development, growth, and assessment. And, naturally, when we are talking about the academy are, therefore, or we are talking about the universities PepsiCo universities right.

And, what is most important what is? That is the inclusive, inclusive nurture the talent with the inclusive leadership. Whenever we are talking about inclusive leadership is there, then talent acquisition and inclusive leadership definitely will identify the potential roles, roles of the employees.

And, when potential roles are identified, they will be successful, maybe its current position as we have seen in the previous slide, it might be in the next role where they will be fitted into. And, this way we develop, nurture, and onboard the employees.

Thank you.