

In Conversation with Ümran Beba, Chief Global Diversity and Engagement Officer of PepsiCo

Egon Zehnder's Istanbul Office hosted Ümran Beba, Chief Global Diversity and Engagement Officer of PepsiCo, to hear her perspective on how work dynamics are changing in this pandemic environment. Not only is Ümran a global HR executive, but she has also been exposed to many cultures, having worked in different countries on three continents over the last two decades. About 70 senior HR executives from around the world joined our Sharing Circle virtual gathering to learn more from Ümran.

Ümran set the scene by providing some general information about PepsiCo, a global FMCG company with 263,000 people employees—with more than 150,000 people working in the field, factories, or sales. She underscored that the recent transformation to remote work was mostly smooth since PepsiCo already had work-from-home policies in practice. Ümran added that Food & Beverage is a critical industry that needs to keep working even more so during this pandemic. (There were a few exceptions, including India where they temporarily had to terminate all operations due to local regulations.) Immediately after COVID-19 hit, PepsiCo launched a global crisis management committee based in variety of geographies. Within this context, the global CEO set the main agenda and HR and Supply Chain are leading the committee with contributions from Communications, Government Relations, and Security executives.

Almost from the start, top leadership team had three focus points:

1. Employee health and well-being
2. Continuity of the work
3. Health and well-being of employees' communities

On a broader scale, PepsiCo globally granted \$45 million to support people deprived of food and get medical equipment to hospitals. In order to ensure continuity of work, \$100 is granted daily to employees who need to stay at home and care for elderly relatives and

small children. In a similar effort, additional bonuses are provided for the field sales staff. Most recent results demonstrate a decrease in restaurant and hotel sales but an increase in online sales. Supply Chain operations adapted swiftly and a new fund was created for the restaurant business to maintain the sustainability of the ecosystem.

Communications

The main collaboration tools PepsiCo is using are WeChat, especially in China, and Yammer elsewhere in the larger organization. Even before the crisis, the new CEO had initiated an informal communication style, which was helpful in this ongoing transition and crisis management process. From the start of the process, the leadership team had one-on-one calls with people working in the field. Ümran said she is confident that they will “see the positive effects of this sincere, authentic communication, working from home habits, and growth in online sales even post-pandemic.” She emphasized, “The CEO was encouraging each employee to act as the owner of the company.”

In addition, there are three main working groups within the leadership teams. The first group focuses on the current and urgent issues while the second group on completing 2020 by comparing predictions with realizations. The third group focuses on the effects and plans post 2021 and how the trends will change in the new world.

Risk Analysis for Emergency and Contingency Scenarios

PepsiCo had already experienced various emergencies in different geographies over the last few decades, including big earthquakes (such as the one in Turkey in 1999), economic downturns in 2001 and 2008, a tsunami in Asia, massive fire in Australia, and many others. In each of them, precautions have been taken, and in many cases the main principles adopted were the same. It would be only fair to say the “human factor” is always the main, determinative factor while keeping business continuity as the main goal.

Transformation as a Result of the Pandemic

Ümran emphasized some of the changes taking place around us will be permanent. “We were already implementing annual organizational employee satisfaction surveys, and now we have accelerated these efforts,” she said. “We had started the ‘paperless business environment and processes’ pre-pandemic era, and it has been very helpful in coping with the situation.”

One example is PepsiCo University. “PepsiCo University is transferred into a platform called Degreed (already planned for early April but accelerated and implemented); so that employees will be able log into education material online,” Ümran shared. She added that another employee benefit is access to fitness at home. “Our gym

instructors now provide online fitness classes which can be logged in globally,” she said. “We already had an application focused on physical activity and now it is used more than ever.”

The Future of Work, Diversity, and Talent

Ümran underlined that “the pandemic will reshape and accelerate the initiatives taken in the concept of ‘Future of Work.’” Answering questions from the audience, Ümran pointed out that Supply Chain optimization was one of the key topics to focus in the business world and now the efforts will further accelerate due to the pandemic. She also shared that a recognition platform is being formed to reward the employees who make clients ‘smile.’

Ümran confirmed that PepsiCo is still hiring new people. In fact, a recent public statement was made about hiring 6,000 new field workers. Yet, she also is confident that “considering the change in the demands of the companies, the demand in talent will also change. In order to win the war for talent, companies will need to express what they are doing differently in a much better way, such as their efforts in diversity. Sustainability and technological infrastructure are also among the key factors in the war for talent.”

PepsiCo aims to reach and retain gender parity by 2025 at management levels. In addition, there are many efforts made in order to reach parity in compensation levels of male and female employees. Right now, in PepsiCo the difference remaining is within 1 percent (valid for a large audience representing 99 percent of the employees). “We need to hire by evaluating the numbers and ratio of the employee group in order to keep diversity according to different criteria. It is critical to define where you stand in a crisis,” she said.

Critical Times for Leaders

The discussion concluded on the idea that the pandemic will be an ongoing test for leadership and HR-Employee relations. “There can be tough times where people need to be laid off so human factor again comes as the most critical criteria during these times,” Ümran said. “Alternative jobs can be offered to these laid-off employees or they could be referred to other companies and even sectors.” As the leaders, we need to tackle immediately the current problems that are deeply rooted in economical and sociological systems, such as education, malnutrition, and more. These issues need to be solved in no time if we aspire to be better prepared for such crises in the future.

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Covid-19 Micro-Website

We have launched a micro-website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

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