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**BEST PRACTICE**

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The most basic principle in the consumer products industry is “listen to the customer.” Without an intimate knowledge of ever-changing trends and tastes, you’re destined to lose out to competitors who are more tuned in.

The notion that success also depends on listening to employees might sound just as basic. But it’s not as easy as it sounds, and a company’s leaders—regardless of industry—are often oblivious to what employees are concerned about and why. A good example is the Jayson Blair episode at the *New York Times*. By the time senior leaders got around to really listening to their employees’ concerns about the reporter’s misdeeds, much damage had been done to the organization’s reputation. The problem of managers not hearing what staffers are saying—in spite of good intentions, usually—is endemic to corporate life.

It was just this type of disconnect that Procter & Gamble uncovered three years ago, when it was struggling with both market share and morale. CEO A.G. Lafley recently told *BusinessWeek* that people and brands are the company’s most important assets. But when Lafley took the helm in the summer of 2000, half of P&G’s top 15 brands were losing market share, and employee morale had been devastated by a series of reorganizations and a dramatic fall in the company’s stock price. When a marketing-driven organization like P&G is in distress, it’s a clear sign that its marketing group is in distress as well. Lafley was looking to marketing to restore growth and profitability, but the group was in no position to do so, especially since P&G’s centralized corporate marketing group—which had provided a good deal of support to the company’s global marketing organization—had essentially been dismantled during a 1998 companywide restructuring.

To rebuild P&G’s marketing strength, Jim Stengel, then heir apparent to the chief marketing officer position, began working with University of Cincinnati professors Chris Allen and Andrea Dixon on a new training program that would fill the marketing organization’s
skills gaps. But when Allen and Dixon began interviewing P&G’s senior executives to get their perspective on which skills most needed enhancing and which types of programs would be appropriate, they realized that current plans for marketing’s recovery were being developed not on the basis of data but on the intuition of a few individuals at corporate headquarters.

What’s more, each of the company’s leaders had a different diagnosis and cure. One believed that the answer lay in developing a curriculum for a major training program. Another suggested adding a level to the hierarchy. Still another thought that the company’s intranet could be beefed up to provide on-line learning. Although these executives knew that employees were unhappy, they didn’t understand the reasons for that unhappiness, nor could they see how those feelings related to P&G’s business results. In short, while the company’s leaders knew a great deal about consumers and their needs, there was much they didn’t know about the people in their own organization. To get back on track in the marketplace, P&G’s leaders needed to gain a much deeper understanding of the challenges facing their internal consumers—that is, their employees.

So began P&G marketing’s most comprehensive internal research effort to date. Allen and Dixon contacted hundreds of employees and asked them what was working and what wasn’t. They asked them how they felt about the company and why they thought P&G wasn’t. They asked them how they felt about the people in their own organization. To get back on track in the marketplace, P&G’s leaders needed to gain a much deeper understanding of the challenges facing their internal consumers—that is, their employees.

Listening Begins at Home • Best Practice

Appraising the Emotional Landscape
The first stage of the research, which began in April 2001, was designed to obtain qualitative data about the state of P&G’s marketing group—using the company’s existing process for seeking data from consumers in the early stages of planning a product launch.

We had access to a cross section of P&G marketing directors, brand managers, and assistant brand managers, and as a first step, we shadowed ten of them, each for a full day. We literally followed these employees as they went about their work, appearing in their offices first thing in the morning and sticking with them as they met with colleagues, checked and sent e-mail and voice mail, and walked the halls. We set one ground rule for the people being shadowed: “Go about your day as you normally would, as if I weren’t here. Don’t worry about moving from place to place; I’ll keep up. If you want to explain who I am when you meet with others, feel free to do so, but don’t feel obliged to introduce me.”

Shadowing the marketing people gave Allen and Dixon an unedited look at how employees experienced the workplace. And once the employees got used to having a “shadow,” some took the opportunity to vent their irritation at certain aspects of P&G’s culture—in particular, the training (or lack of training) they had received. After a long day of attending team meetings, trying to keep up with e-mail and voice mail, and participating in an extended conference call with an ad agency, for instance, one assistant brand manager conveyed frustration at not feeling adequately prepared to do her job, even though she held an MBA from an elite institution. “There’s a lot about process and terminology that’s unique to P&G that nobody tells you up front. I turned to my [brand manager] for help and was told, ‘That stuff is mundane; you have to figure it out.’ I’m just not getting the coaching I need.”

On the other hand, shadowing people also reveals positive behaviors that a company can then use as a model for other employees. We followed a manager of one of P&G’s top 15 brands and found him to be in constant motion. He was busy gathering information and making requests in person, tasks that could easily have been done by phone or e-mail. When we asked why he had done the work in person, he pointed out that such encounters not only build relationships but also allow him to take advantage of on-the-spot training opportunities. This type of impromptu coaching wasn’t the norm, according to what we saw and heard, but it gave us a window into what could be, if the practice were spread.

Next, we conducted focus groups where we could continue to probe the question of what was on employees’ minds. We held a two- to three-hour session for each of the three lev-
Note

The Procter & Gamble employee research initiative and subsequent training program detailed in this article were a team effort involving the authors and teams and individuals at P&G. Throughout the project, we worked closely together to listen to employees and respond to what they said. But not all of us were involved in all aspects of this undertaking, and when it came to specific employee feedback, P&G’s Jim Stengel deliberately kept his distance to preserve the confidentiality of people’s responses. Nonetheless, we’ve written the article in the first person throughout. So while the word “we” doesn’t necessarily refer to all of us every time it appears, it does reflect our joint purpose and the spirit of the listening initiative overall.

—The Authors

els—marketing directors, brand managers, and assistant brand managers—with six to eight people in each group. We asked open-ended questions and then sat back and observed as the employees engaged in discussion. To encourage candor, the meetings were held off-site, at a facility at the University of Cincinnati. Like all of the research, the groups were closed to P&G managers (including Stengel, an author of this article).

We also held 22 one-on-one interviews in the United States and Geneva with P&G general managers, marketing directors, brand managers, and assistant brand managers. In these taped conversations, which lasted from 60 to 90 minutes, we heard many of the same themes that had come up in the shadowing and focus groups. “There is a real need to get back to the basics of people development,” said one manager. “Nobody even understands…how to evaluate people anymore.” Another said, “When I came to P&G, you got your 15 minutes of coaching from your boss every day. We now have nothing…. Coaching is a skill we have lost.”

While this research was going on, Stengel convened a task force headed by Renee Dunn, director of human resources for global marketing, and made up of P&G’s top change experts, most of whom came out of the product supply group—the people who run the plants. Each had successfully led major organizational change efforts, and we wanted to pick their brains about what worked and what didn’t. Among other things, this group made it evident that P&G needed to think about change systematically—that is, the company couldn’t just add training classes to bridge the skills gap but rather needed to rethink rewards, management systems, career paths, and any other aspect of the organization that might send a signal to employees about what was important. While this might seem like common sense, it was a real departure from the initial plan for recovery and underscored the fact that there would be no silver bullet.

After all these conversations, which unfolded over six months or so, the next step was to obtain quantitative data through an employee survey. The listening we had already done shaped the survey questions and allowed us to use language that reflected the concerns raised in the qualitative phase rather than the general language that employee surveys often use.

To make sure people knew that their answers would be kept private, employees received the survey in an e-mail with a link to the University of Cincinnati’s secure server. Approximately 3,500 P&G marketers worldwide received an e-mail from Stengel encouraging their cooperation, and 1,200 invested the time to complete the entire questionnaire, which had more than 300 questions. To ensure that the survey tracked the issues that were most important to employees, we used structural equation modeling, which measures responses to key topics by asking more than one question about each. (See the sidebar “Using Structural Equation Modeling to Analyze Survey Results.”)

While the survey was an effort to take P&G’s—and, in particular, the marketing organization’s—temperature, Stengel and his leadership team sought to create a more complete picture of the company and its woes by consulting external sources such as advertising agency representatives, industry consultants, and academics. We asked them, for instance, which skills were most in need of attention at P&G and what the company’s strengths and weaknesses were. The resulting feedback supported internal complaints about a lack of employee training but offered a different perspective. For example, the outside parties we spoke with unanimously agreed that P&G promoted people too quickly, giving them little opportunity to build their knowledge and confidence or to live with their results. Some of the responses were more positive. The ad agencies that work with P&G, for example, said that the company was “more demanding but more caring” than many other organizations when it came to marketing campaigns and that it has “brand-building in [its] DNA.” P&G had lost focus, perhaps, but it had innate strengths to draw upon.

Our Findings

The research uncovered some data that could have been pretty demoralizing. Across the board, employees assailed P&G’s historical characterization as a marketing powerhouse. But at the same time, a certain degree of pride and determination came through. P&G marketers clearly wanted to do their jobs well—indeed, they were demanding the opportunity to excel. But they felt that certain aspects of
the organization and its culture were interfering with their effectiveness. And they were strikingly consistent in where they saw room for improvement.

**Devaluation of Marketing as a Profession.** P&G is widely viewed as a top training ground for marketing professionals because of the hands-on experience the company provides. Yet marketers there felt that their profession wasn’t valued within the company; it was no longer considered as prestigious as, say, general management. Previous indicators that marketing was valued at P&G—such as the presence of senior marketing statesmen, who were viewed as sage old-timers—had disappeared. Opportunities for advancement came more readily to those with a broader business focus than to those with deep marketing talent and passion, and there was no clear long-term marketing career path.

And while marketers were encouraged to put new, experimental initiatives into their budgets each year, according to one manager, such projects were inevitably cut a few months later, signaling that marketing innovation wasn’t really a priority. “This happens every year,” the manager claimed. “We’re told [to plan] two to three innovative marketing test ideas. We come up with them and set aside the money, and then the first [budget] cuts come.

**Using Structural Equation Modeling to Analyze Survey Results**

Based on the shadowing, focus groups, and interviews used in our research, we identified 36 issues that P&G employees were concerned about, such as long-term orientation and business unit effectiveness. We wanted to find out which issues were most pressing and how they related to one another, but since they are intangible, we needed to develop a survey that would look at each issue from a number of different angles. In other words, we had to ask about each one in several different ways.

To accomplish this, we developed a 300-item questionnaire with ten sections. The issues—the “latent variables”—were grouped under those sections. For example, training and coaching were addressed in the “development and promotion” section, and business discipline and marketing climate were dealt with in the “work environment” section. For each variable, we developed several statements that looked at the variable from a slightly different angle and asked employees the extent to which they agreed or disagreed with the statements.

This diagram presents a sample set of statements from the employee questionnaire (shown in the rectangles). Each statement relates to one of the variables being measured (shown in the ellipses). The factor loadings in each rectangle show the relative weight attached to the statement being measured, meaning how important each was to P&G marketers in relation to one another when it came to their perceptions of the organization.

We arrived at these numbers using structural equation modeling (SEM) software, which uses algorithms to map patterns in data. When many employees answer a question the same way, the software assigns it greater significance than if there were more divergence in opinion. Inconsistency reduces the weight of a particular statement because it shows that people aren’t of one mind with respect to that statement. For example, the statement “We regularly focus our efforts on long-term brand-building activities, not just short-term business results” had a greater weight or impact on the degree of concern over long-term orientation than did the statement “We invest a significant amount of time in things that will pay off in the future.” That means that employees answered the former question more consistently and with stronger agreement than they did the latter. This analysis helped us gain a more accurate sense of employee concerns and allowed P&G to design programs and communications so as to address those concerns head-on.

SEM’s structural weights—like regression weights—range theoretically from 0.0 to 1.0. Typically, the weights are in the .20–.50 range. Seldom do we have an issue that can be driven largely (more than a .50 weight) by one variable. The more complex the outcome (and the outcome in this example, business unit effectiveness, is indeed complex), the more likely that the structural weights will be closer to the .20 level. Depending on the size of the sample, weights below .20 can still be statistically significant but may not be all that meaningful to our understanding.

The results shown here indicate that P&G employees view long-term orientation, brand equity enrichment, and clarity and alignment as essential to business unit effectiveness. We were also able to determine that these three variables have similar weights and thus comparable impact on business unit effectiveness. Interventions to improve business unit effectiveness should focus equally on all three of these variables.
They say, ‘[The ideas] were experimental.’”

**Lack of Training.** At one time, P&G had extensive formal and informal training programs for marketers, including skill-specific apprenticeships and on-the-job training and coaching. The organization had held an annual eight-week spring lecture series where advertising managers would explain the fundamentals of good advertising and P&G’s approach. An internal awards program called attention to the year’s best campaigns. But these programs had been coordinated and led by the centralized corporate marketing group, and when the group was downsized in 1998, the training program fell apart.

As a result, many marketers felt ill-equipped to do their job. In the words of one manager: “We have good people trying to do their best with a rusty tool kit.” Said another: “At P&G, people are rewarded for building business; they are not rewarded for developing people.” Others found that the culture implicitly discouraged training: “Now [the implication is], why did you go? Why did you waste the money? Couldn’t you have saved travel expense and maybe [gone] next fiscal [year]?”

**Misplaced Focus.** P&G marketers widely perceived that rewards and promotions were given based on the number of initiatives an employee launched rather than on the results

### Clarity and alignment

**SEM weighting = .17**

<table>
<thead>
<tr>
<th>Statements:</th>
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<tbody>
<tr>
<td>I agree with the business plan that we are trying to execute. (Factor loading = .66)</td>
</tr>
<tr>
<td>I have a clear sense of direction from those above me. (Factor loading = .49)</td>
</tr>
<tr>
<td>I can typically get the information that I need to do my job effectively. (Factor loading = .73)</td>
</tr>
<tr>
<td>The leaders in the marketing function help me understand today’s business priorities. (Factor loading = .65)</td>
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</tbody>
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### Long-term orientation

**SEM weighting = .18**

<table>
<thead>
<tr>
<th>Statements:</th>
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<tbody>
<tr>
<td>We have a clear strategy at P&amp;G that will win long term. (Factor loading = .58)</td>
</tr>
<tr>
<td>Long-term results are what really matter at P&amp;G. (Factor loading = .67)</td>
</tr>
<tr>
<td>We invest a significant amount of time in things that will pay off in the future. (Factor loading = .51)</td>
</tr>
<tr>
<td>We regularly focus our efforts on long-term brand-building activities, not just short-term business results. (Factor loading = .73)</td>
</tr>
</tbody>
</table>

### Brand equity enrichment

**SEM weighting = .19**

<table>
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<tr>
<th>Statements:</th>
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<tbody>
<tr>
<td>Our brand equity statements provide an effective basis for the development of communication strategies. (Factor loading = .84)</td>
</tr>
<tr>
<td>I use our brand equity statements on a regular basis. (Factor loading = .66)</td>
</tr>
<tr>
<td>Our brand equity statements reliably yield actionable insights for differentiating our brands. (Factor loading = .83)</td>
</tr>
</tbody>
</table>

### Conclusion:

These three variables are all perceived as contributors to business unit effectiveness.

### Business unit effectiveness

<table>
<thead>
<tr>
<th>Statements:</th>
</tr>
</thead>
<tbody>
<tr>
<td>My brands have gained market share relative to that of our primary competitors in the past year. (Factor loading = .69)</td>
</tr>
<tr>
<td>The profitability of my brands grew in the past 12 months. (Factor loading = .61)</td>
</tr>
<tr>
<td>My brands are well positioned for long-term sales growth. (Factor loading = .84)</td>
</tr>
<tr>
<td>My brands are cultivating an increasingly committed and loyal set of consumers. (Factor loading = .77)</td>
</tr>
<tr>
<td>My portfolio of brands is viewed as essential by our retail customers. (Factor loading = .58)</td>
</tr>
</tbody>
</table>
of those initiatives, leading to a flurry of activity without enough emphasis on what that activity should produce. This dynamic was self-reinforcing because tenure in a particular job averaged 24 months. The expectation was that if you had done a good job, you would be promoted after about two years in a role. The unintended consequence was that marketers would set a lot of development projects into motion, knowing that they would be gone before the results of those initiatives came in and that it would be up to the next manager to fix any problems that had arisen. Said one senior marketing director: “The company’s Achilles’ heel is that we say we promote people based on business results, but...people get [new] assignments every two years, and that is an incentive to get something out the door, completed. That’s what gets you promoted. People don’t stick around for business results to show.”

Marketers were also increasingly expected to shoulder nonmarketing responsibilities such as leading project teams and managing artwork on packaging—activities that had been orphaned by the 1998 restructuring and went by default to the brand managers, since they were ultimately responsible for the success or failure of the brand. The extra work left the brand managers stretched for time and less able to focus on their marketing duties.

Fiscal pressures exacerbated the problem, as managers scrambled to make their numbers for the current month, at the cost of future sales. As one manager put it, “The last two months, the shipments and sales were not coming in, so we had to put together...plans to drive cases in the month of June. Absolutely foolish in my mind. [The sales] are not going to pay out.”

Loss of Discipline. With managers becoming busier and training becoming less of a priority, employees had seen a growing disregard for some of the processes that had traditionally supported the company’s marketing planning. In earlier years, brand managers were expected to know how to produce a standard set of documents such as business reviews, budgets, and monthly reports. The classic one-page memo was a hallmark of P&G marketing culture, and new hires received specific training in how to produce one. No more. A number of employees in our research—particularly in the older generation—lamented the loss of these tools and the discipline they engendered. “With all the time pressures [and with brand managers] having broader responsibilities [than] just marketing, the thing that fell by the wayside was the paper,” said one 20-year veteran. “What we didn’t realize was that the thinking that went into the paper [disappeared along with the paper]...It’s hard to bring it back.”

A Disconnect with the Marketplace. While managers at all levels considered direct contact with consumers to be critical to their success, their internal commitments made it difficult to connect with the marketplace. P&G marketers reported that time spent in meetings and answering e-mail, along with broadened responsibilities, left them less than six hours per month on average to spend with consumers through formal research activities like focus groups and informal activities like approaching consumers in stores to ask questions about what they were buying and why. Without that direct contact, it’s difficult to build an emotional connection, which is what ultimately drives brand loyalty. As a result, while P&G products were well regarded for their functional qualities, competitors had better positioning in consumers’ hearts. In other words, there was a lot of trust, but there wasn’t a lot of love. P&G’s Pampers promised “dry baby bottoms,” a positive but somewhat clinical image, while Kimberly-Clark’s Huggies brand had established a tie with toddler development. And while P&G’s Crest was known for fighting cavities, Colgate had become associated with a variety of cosmetic and aesthetic benefits, such as tooth whitening.

A Culture of Cynicism, Conflict, and Mistrust. A formerly people-centered culture had given way to one that disregarded people’s development and morale. Employees reported an atmosphere where people were promoted, in the words of one manager, “leaving a string of dead bodies in their wake.”

A Plan for Renewal
We were struck by the degree of candor in the employees’ feedback. We promised anonymity, but even with that stated pledge, it wouldn’t have been unusual for employees to fear reprisal and sugarcoat their responses to company surveys. Not at P&G. Even in our taped interviews, only one of the 22 people we met with took us up on the offer to turn off
the tape recorder at any point in the conversation.

We believe that the employees’ straightforward responses were prompted by a range of emotional, cultural, and financial issues, all of which fostered a deep commitment to the company’s success. From an emotional standpoint, employees’ pride was wounded. People saw themselves as stewards of a legacy: They had a 166-year history and a reputation for marketing mastery to uphold, and they knew in their hearts the company could do better. Many employees, in fact, had lived through better days and were confident that the company could regain its footing.

From a cultural perspective, P&G’s promote-from-within tradition led employees to feel especially committed to the company and determined to succeed. They saw themselves as having long careers at P&G and had very personal reasons for wanting the workplace to be supportive. Moreover, the research followed a familiar company methodology, and it had been blessed by the senior-most marketing person, a powerful signal at an organization as hierarchical as this one. The company’s employees are very sensitive to time, and Stengel’s blessing signaled that it was appropriate to spend half a day traveling to and attending a focus group.

And from a financial standpoint, employees knew that their retirement funds had taken a huge hit when the stock price dropped, so they were motivated to bring it back up.

Whatever the reasons, employees’ willingness to be candid was absolutely critical to bringing about change. So was the management team’s willingness to hear the bad news. Rather than sweep the results under the rug, we chose to use the feedback as the foundation for changes designed to restore professionalism to the marketing organization, reestablish P&G as a top marketing training ground, and, more generally, improve morale. We chartered a task force of marketers from across the globe—from Germany, Italy, and India, among other locations—to develop concrete plans for solving the problems that had been revealed in the research. The task force, along with CEO Lafley, Stengel, and Stengel’s global leadership team, launched the following programs, all carefully designed using the results of the research.

Develop a Common Language. To reintroduce discipline into marketing planning, P&G needed a simple, common language for framing discussions—what would come to be called the P&G “brand-building framework.”

**Hearing Your Employees**

Listening to employees—and truly hearing them—takes more than just walking the halls and checking in from time to time (although those things are important). If you really want to know what’s on their minds, a structured research process can help.

1. **Start with a clean slate.** You can have some hypotheses of your own, but let your people drive the research focus.

2. **Shadow a sample of employees** to identify issues that might not come up in conversation.

3. **Conduct a series of focus groups off-site.** Keep group composition even; don’t mix higher-level and lower-level workers. Guide the group process in a way that addresses the areas identified through the shadowing. Here’s a sample guide to consider:

   - **Perceptions of the company, work environment, functional work environment**
     - What is the company doing right?
     - What is the company doing wrong?
     - Why is it doing that way?
     - How does your work relate to those who operate a level above you? Below you?
     - Perceptions of roles and responsibilities
       - In which areas do you contribute to this organization?
       - For which activities are you rewarded?
       - Who identifies and develops what you will work on?
       - How does your work relate to those who operate a level above you? Below you?
     - Career preparation
       - Were there times when you truly felt unprepared for the task at hand? If so, how frequently did this occur?
       - Did you ever have situations handed to you without adequate training or preparation?
     - What happened?

   - **Expectations for the company**
     - What types of training programs would have helped you through these times?
     - What were your expectations when you first started at this company?
     - Were you disappointed in any way?

4. **Use a series of in-depth interviews across a variety of levels to explore the themes identified in the focus groups.**

5. **Develop a survey instrument** that embraces the issues—using your employees’ own language—identified in the previous steps. Signal the importance of this research. Use frequent messages from a senior officer.

6. **Examine the prevalence of the issues** that exist throughout your organization. Determine how these issues relate to key outcomes such as business effectiveness, morale, and loyalty.
The best way to avoid detachment is to actively seek employee feedback and to listen to the feelings and folklore in the organization.

It mandates that all marketing campaigns explicitly address three questions: who (the target of the campaign, defined very specifically), what (the desired brand equity or positioning), and how (the mechanics of execution). To help employees meet this requirement, the corporate marketing organization has appointed who, what, and how experts on staff to serve as internal consultants to the brand managers.

Many within P&G viewed their new brand-building framework as too simplistic and not very new at all. Some had expected more from an organization that prides itself on being a marketing thought leader. But employees’ resistance was worn down by a carefully executed rollout, with the people who had developed the framework personally visiting offices around the world to provide training. It helped, too, that senior management began using the language of the framework immediately, focusing conversations on who, what, and how. (If the boss is talking this way, it must be important.) Over time, people came to see that with simplicity comes clarity. The framework forced people to slow their pace ever so slightly and think through a broader set of issues before formulating a plan of action. In the process, it helped change the day-to-day conversations of 3,500 P&G marketers around the world.

Establish a Marketing University. To provide the formal training P&G marketers were asking for, a new program offers weeklong “colleges” for new and newly promoted employees, along with refresher courses in a variety of subjects such as interviewing skills and how to provide coaching. Employees fly to Cincinnati and other regional headquarters worldwide both to attend and to teach. The curriculum is based on the feedback from employees and complements the other programs P&G implemented. For example, new employees have a full day each on who, what, and how to get them conversant with the brand-building framework. The program also allots plenty of time for informal get-togethers, which is a crucial part of building global networks and cross-generational relationships. These relationships, in turn, help pave the way for ongoing informal coaching and mentoring.

Create Centers of Expertise (COEs). A concept borrowed from the technical part of the business (the company’s R&D group, for example, has a COE on enzymes), COEs are formal, global networks of marketing employees, each devoted to a specific competency. Each network has a leader, with a dotted line reporting relationship to Stengel, and a number of “masters,” chosen by the leader for their particular expertise. So, for example, a manager who does media planning and buying in Japan might have to know a lot about wireless communication because wireless penetration is so high in that country. He might be a master in the Connecting with Consumers COE.

Masters are selected, but anybody within the P&G community can be a member of a COE. Group members can contribute ideas, and they can enter their COE site through the company intranet and search for information and experts by topic. The COEs also run speaker series and other forums. For instance, the Connecting with Consumers COE recently held a symposium in Kuala Lumpur, with presentations on a broad range of topics such as interactive marketing and ad campaign wear-out tracking. So far, P&G has created four centers, based on where employees said there was the greatest need, and the company intends to implement others going forward.

Focus Marketing Roles. To better tie performance to results, P&G is now keeping marketers in their jobs for longer stretches of time—three to four years or more—and marketers’ plans are expected to cover two years as opposed to focusing on quarterly results alone. Managers still reap the rewards of their contributions, but now they live with their mistakes, a change that has discouraged them from blindly pursuing initiatives. The shift met with some resistance because the assumption that you’d get promoted if you were any good at all was so deeply held, but the external research provided the data to convince employees to be patient. In particular, the ad agencies were of one mind about the value of keeping people in place longer, and company leaders were able to point to that fact again and again when employees began asking for new assignments or early promotions. Recent surveys show that P&G employees now see themselves staying at the company for longer than they did a few years ago, suggesting that they are coming to accept the longer tenure.

Jobs are also being more carefully defined through collaboration with other groups to...
better delineate leadership and ownership of tasks. Cross-functional teams are looking at activities like project management and artwork coordination, which had crept into the marketing group’s realm of responsibility, to determine where the work should actually be done.

To promote more direct interaction with the marketplace, P&G also established new metrics to track how much time marketers spend with consumers, and brand managers and marketing directors are assigned to retail teams in the field to get a better handle on shoppers’ experiences. The mantra now is, “If you are losing energy, passion, or focus, get out of the building and into the store. Spend some time with consumers, and you’ll get reenergized.”

Redefine Marketing as a Career. P&G is also taking steps to create a long-term career path for marketers and restore prestige to those who choose to pursue marketing over general business. While marketers always had the chief marketing officer job to aspire to, there was otherwise little opportunity for advancement. So P&G resurrected its Harley Procter program, in which employees who have acquired a high level of expertise can be designated Harley Procter marketers. (Procter was the founder’s son, who named the Ivory brand.) These leaders serve as internal consultants, travel the world to scout out new marketing best practices, provide training, and are generally regarded as well-positioned, senior employees. The role comes with a budget, which Harley Procter marketers can use at their own discretion to support marketing innovation.

... In a global, multitiered marketing firm, it’s not unusual for senior management to become emotionally detached from its people. The best way to avoid such detachment is to actively seek employee feedback and to listen to the feelings and folklore in the organization.

The process can be wrenching. It’s one thing to ask employees how they feel; it’s another thing entirely to stand bare as they drench you with buckets of emotional ice water. But it can also be very powerful. Certainly, trust at P&G hasn’t been completely restored, but it is building over time as the company demonstrates that it cares about what employees have to say and keeps its commitments. P&G said it would improve continuity in marketing roles and assignments, and now it is actively tracking tenure. The company said it would strengthen its training, and it did so. It promised to establish centers of expertise to build marketing capability, and it has established four, with more on the way. And it vowed to grow the business again, and 19 of the company’s top 20 brands are now increasing volume. P&G’s employee surveys show a dramatic improvement in confidence about the future. In just 12 months, the number of employees who strongly agree with the statement “We’re on the right track to deliver business results” went from 18% to 49%. And the number of employees who strongly agree with the statement “I have confidence there is a plan in place to grow the business” jumped from 26% to 56%.

Listening to employees isn’t something you do once and then go back to business as usual. Stengel continues to travel from city to city, talking with employees and helping them connect with the CEO’s vision for the company. Gaining the hearts and minds of every employee in an organization of P&G’s size is no small challenge, and it’s one that senior managers have to wrestle with every day to succeed. That’s what we do with our customers—and now we’re making sure we do it with our own employees. In an organization known for rigor and logic in pursuit of market dominance, we rediscovered that first and foremost, marketing is about the people.
Further Reading

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