

# What P&G and Mars taught me about being a Best Place to Work

By Richard S. Guha

Procter and Gamble makes it on to many lists of the Best Place to Work.

[http://www.pg.com/en\\_US/company/external\\_recognition.shtml](http://www.pg.com/en_US/company/external_recognition.shtml). It is easy to read the list and pass on by. However, as a former fairly junior manager at the company, the company's everyday behavior fully supported its right to be on these lists. For a Mid-Western company that is over 180 years old and promotes only from within, so that all senior executives have only worked for P&G in their careers, how can it remain forward thinking, innovative and highly competitive? The reason is that it has a unique culture that allows employees to be the best that they can be and avoid complacency.

Mars, where I spent over twelve years, rising to a Division General Manager, is an enormous, multi-Billion \$ family-owned company, which has also been listed as a "Best Place to Work,"

<http://management.fortune.cnn.com/2013/01/17/best-companies-mars/>. Like Procter and Gamble, it has been an outstanding performer for many years.

Having become, later, the President of a Fortune 50 company, Reliant Energy, I look back and can see clearly how each company achieved this. Also having advised around 100 of the Fortune 500, I have had the opportunity to see inside many high performance companies and see what made them successful and what held them back. Many of my observations were of the approach to the work environment, with the ways in which the people are trained, motivated and managed. I have tried to build this learning into the businesses I have led, of whatever size, and in the course of over 40 years, there has been much to learn, with one of the keys being organizing appropriately, and enabling people to be the best they can be at work in every way. The following observations tie together how two superficially very different companies share key characteristics that make them "Best Places to Work."

P&G was always very proud of enabling its people to perform in extraordinary ways. It was very aware that performance is as much the responsibility of the company as the individual. It is unfair to, as many companies do, put all the responsibility for performance on the individual. Procter & Gamble provides several things to its employees to get the best performance:

- Train people thoroughly and effectively. The company recognized that classroom training is not effective unless on the job training is primary, and ensuring consistency and high standards of on the job training is difficult. People were thrown in the deep end, given responsibility, but with constant coaching and mentoring.
- Since the company promotes from within, fostering creativity and independent thought is critical. I remember that in meetings, the most junior person spoke first so that they would not be intimidated by others, while the most senior person spoke last. Everyone was rewarded for having ideas that were counter to received wisdom as long as they were fact based.
- Create an atmosphere of mutual loyalty and consideration. The company wanted all employees to feel like part of a mutually supportive, but demanding, family, where the competition was the enemy rather than other employees. Shortly after I joined P&G my father died and the company, knowing I was an only child, rearranged my assignments so I could live with my mother for several months.
- Put the customer and end-consumer first. Teach people that the long-term success of the business depends on customers being loyal and eager to pay the price we needed to charge while ensuring the efficiency to keep it as low as possible.

- Give people responsibility as well as accountability. This required expecting people to start taking on the tasks of the position next on the ladder of career advancement as soon as possible.

Mars was in many ways a very different company, but in its essentials it shared key characteristics with Procter & Gamble. Founded by Forrest Mars, building on a candy bar formulation from his father, Frank Mars, he built a multi-Billion \$ company still controlled actively by the company. While very much a student of Taylor's "Scientific Management," he was later an early disciple of Deming in terms of both quality and management, as well as Rosser Reeves in advertising. Each of these impacted how Mars became what it did in terms of a work environment. While, like P&G, it put the customer first, it had a slightly different approach to management, showing that there is not one right path to becoming a "Best Place to Work." Among the key outstanding cultural drivers that built the company were:

- The Five Principles gave primacy to the customer, but employees (called Associates), the Community, Suppliers and Shareholders also had their needs met. Since the consumer came first, no cost was incurred that increased final price unless it was safety related or to protect the product. Furthermore, these were not simply imposed from above, but Associates were involved in their development.
- The company believed in equality and transparency. All Associates were treated the same – until fairly recently each punched a time clock, everyone sat in an open plan office, and salary scales were published to all. There are no reserved parking places or outward signs of status. Much more information, including financial, is shared with Associates than in other companies.
- A very large amount of freedom and responsibility allowed even less senior people to make decisions rapidly with few procedures to slow down the activities. Manufacturing Associates were held responsible for quality, and a focus on efficiency resulted in the latest and most modern equipment everywhere.
- As a family owned business it very much wanted Associates to consider themselves as part of the family, caring about its performance equally. Management and Administrative staff were always located at a factory so that they could get to know it well. Each had a white coat and were expected to walk around the plant frequently.
- The owners wanted to surprise and delight the Associates as much as the consumer. While it is difficult in a much larger company now than while I was there, to retain the same closeness to the larger number of family members than it used to have, I was always impressed by the high level of contact with them and the flatness of the organization.

Each of these companies, highly profitable in very competitive businesses, that have survived and prospered for many years, taught me that financial results are very much a product of the people. It is essential that they not only be smart and well-trained, but loyal and motivated to think "outside the box." Creating the right environment is key, and building a reputation that attracts and retains the best and brightest is a core competency they share. Not coincidentally, many Mars executives have come from Procter & Gamble.

**About Richard Guha [www.maxbrandequity.com](http://www.maxbrandequity.com)**

Richard Guha is the former President of Reliant Energy Retail, a Fortune 100 company. He started his career in Marketing at Procter & Gamble and Mars, following Bachelors and Masters degrees from Cambridge University in Chemical Engineering. Rising to General Management through several C-Level positions in Telecommunications and High-technology companies, he has also advised almost 100 Fortune 500 companies and served on the Boards of over nine successful high growth companies.