



Today's Topic:

The Power of Storytelling in a Great Place to Work®

Guest Speakers:

Karen Shadders, VP of People, Wegmans
Jack DePeters, SVP of Store Operations, Wegmans

Facilitator:

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Storytelling has long been, and continues to be, a key driver of great workplaces. Stories are central to how humans think and learn. Research has shown that the use of stories as a learning tool can increase recall by up to 300%. Wegmans, a Rochester-based grocer with 35,000 employees across 69 stores, has recognized storytelling as an extremely effective way of getting messages out to employees. The company has become masterful at driving and sustaining culture through the power of their stories and on March 21, 2006, Karen Shadders and Jack DePeters of Wegmans gathered with peers to share the organization's perspective on this powerful technique. Wegmans has appeared on Fortune's *100 Best Companies to Work For*® list, produced by Great Place to Work® Institute, since the list's inception nine years ago. The company held the #1 spot in 2005, and is ranked #2 this year.

Vision and Values

Many wonder what the secret ingredient is to creating and sustaining a great workplace culture such as the one at Wegmans. Leaders of Wegmans are the first to say that what they have is special and may not be easy to replicate, but they are happy to share their story of success. The company is in its third generation of family management, and Karen and Jack credit its strong value system to the Wegman family. Founder Bob Wegman and his successors, including current CEO Danny Wegman, consistently live and role-model strong values and as a result, they are very deep-rooted within the organization. The five values embodied at Wegmans are as follows:

- 1) We care about our people.
- 2) High standards are a way of life.
- 3) We make a difference in every community we serve.
- 4) We respect our people.
- 5) We empower our people to make decisions that improve their work and benefit our customers and our company.

Wegmans believes strongly that without a clear vision and set of values, people cannot execute. Providing a strong framework from which people can make decisions creates room for autonomy and creativity; without providing such structure, employees cannot be sure of how to make decisions. As stated by Jack DePeters, “autonomy without vision is chaos.” Creativity is encouraged and allowed at Wegmans as long as decisions and actions align with the vision and values. The company’s values are executed each and every day by employees at all levels of the organization in many different ways. This execution is shared and encouraged by way of storytelling at Wegmans, which happens formally and informally through many vehicles.

Meeting in a Box

Storytelling has always been an inherent part of the Wegmans culture, but as the organization grew, leaders were concerned about the ability to keep the family feel and decided to develop formal ways to do so. One of the formal mechanisms used by Wegmans to share stories effectively throughout the organization is the “meeting in a box” program, which started in 1999. The organization was rolling out its new vision and was faced with the challenge of communicating a clear and consistent message to all employees in many locations.

With a “meeting in a box”, each manager receives a toolkit for sharing a specific message, including a video-taped story and talking points to be shared, and is responsible for sharing the information with his/her team. This ensures that all employees are seeing and hearing the same message in the same way. The initial rollout was proven successful when 98% of the organization was able to clearly articulate the new vision after experiencing the “meeting in a box”. This continues to serve as an effective way of information sharing and storytelling throughout the organization.

Who We Are

A second formal mechanism of storytelling at Wegmans is called “who we are”, which plays out in two main ways within the organization. First, every meeting, large or small, begins with stories about how the values are being executed. These stories could be about how one employee helped another employee or a customer, or how someone overcame a problem. “Who we are” stories can also be shared more widely via the company’s intranet. Here, employees can find a template for sharing stories of how colleagues are living the values; all stories posted on the intranet can be searched and reviewed so that at anytime one can read about how employees are demonstrating the values.

A Sampling of Stories

If you were to approach a Wegmans employee and ask what makes the organization a great place to work®, there is a good chance that the answer would be in the form of a story. Some stories are legacy throughout all levels of the company, while some are from direct experience. Karen and Jack shared a few compelling stories that have remained with them over time.

- Karen told a personal story of when she was in the late stages of her pregnancy and was put on bed rest by her physician, which took her out of work during a large company meeting of all leaders. As she lay in bed feeling disappointed for having to miss such an event, she heard the phone ring and when her husband told her it was Danny Wegman on the line, she thought for sure that he was calling to razz her for not being there. Instead, he had stepped out of the meeting to call and let her know that everyone was thinking of her and told her not to worry, but to take care of herself and the baby and that they would fill her in when she returned. The call put Karen’s mind at ease and once again proved that people come first at Wegmans.

- Jack spoke of a recent store opening in Mt. Laurel, New Jersey. As is regular practice, all new employees of this store were flown to the Rochester location for orientation to the company and the culture. When sharing a story about the company's consistent low price philosophy, Jack was challenged by a woman who raised her hand to say that their price of digital photo prints at 29¢ well exceeded the cost of the local Wal-Mart, which prices prints at 17¢. Jack immediately recognized that this was not in line with their philosophy and three hours later, in front of that same large group of new employees, was able to announce that they would be opening with a matched price of 17¢ per digital photo print. Because this changed occurred at orientation, it set the precedent for this group that employees are indeed valued and empowered at Wegmans.
- A front-end service employee in the Elmira, New York store recognized that Wegmans was not serving the Jewish community well and felt empowered to act on this need. He took it upon himself to go out into the community and speak with the rabbi at a local synagogue to learn what Wegmans could do to better serve this demographic. He took these ideas back to his store manager, who joined forces with the employee and accompanied him into New York City to learn even more about the Jewish community. They both came back prepared and with a plan they proposed to the division manager on new products they would like to add to the store's merchandise. Impressed with their initiative, the division manager made it happen and the store now enjoys an additional \$6,000-\$7,000 in revenues per week from kosher products. This again proves and encourages the fact the employees are empowered at Wegmans.

Replicating a Culture of Storytelling

It all starts with a strong vision and a set of values to support that vision. Storytelling at Wegmans is deliberately linked to the values of the organization. In order for success, employees must recognize, believe in, and be able to demonstrate the values on a daily basis through their work. For companies at this initial point of identifying a strong set of values, Wegmans recommends answering the following questions:

- Who is our target customer?
- What is our primary business?
- Why do we believe customers choose us?
- What are the key strategies that will help us drive these efforts?

Once you have the answers to these questions, you must then determine how you expect people to behave when achieving these objectives. Wegmans' advice for this process is to keep things simple. Their philosophy is that if you cannot say it in three minutes or less, or put in one page of written text, it is too complex and will not stay with your employees. Employees cannot execute what they do not understand. Once the values are in place, celebrate and share people's dedication and execution of them through storytelling!

Wegmans has found storytelling to be a key contributing factor to their successful culture and they do it over and over again. They recognize that it can take some time for things to sink in and it is important that employees hear these stories several times. It is also important to believe in amnesty. As Jack DePeters put it, "You can't hit a homerun every time you get up to bat." Mistakes will be made and there may be times when a story you tell does not put you in the best light as a leader, but it shows that you are willing to listen and learn from your mistakes. Two-way communication is only successful when you are willing to take the good with the bad, and are willing to respond to both openly and appropriately.

Benefits of Storytelling and Being a Great Place to Work®

Storytelling is an integral part of the culture at Wegmans and leaders attribute their ability to sustain a strong workplace culture to this practice. A result of such a strong culture, the organization consistently experiences great financial returns. When people enjoy coming to work and feel respected and empowered, they are willing to give more to their jobs. Wegmans benefits from one of the lowest turnover rates in the industry at just 6% for full-time staff, and 28% for part-time staff (in comparison to the industry average of 79%). With a dedicated, engaged, and productive workforce, the organization enjoys a healthy bottom line. As an organization cares for its employees, the employees care for their customers; as customers are taken care of, so is the success of the business.

Conclusion

A strong company culture can represent itself in many ways, but the commonality experienced by all organizations with such a foundation is implicit trust between employees and management; a relationship that allows employees to be themselves and give their all to their work. At the heart of the culture at Wegmans is storytelling and a strong commitment to the company values. Employees at Wegmans believe in, live, and celebrate the values of the organization in concert with management. Management was there from the beginning to role model the values and continues to do so, while also showcasing the stories of employees that do the same.



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