# Lion: Leadership, diversity and the importance of great people

















# Leadership, diversity and the importance of great people.

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### Introduction

Lion is one of Australasia's leading beverage and food companies and manufactures some of Australia and New Zealand's favourite milk, juice, yoghurt, cheese and soy beverages, along with market-leading beer and wine brands.



## **Building leadership capability**

Lion has a strong focus on building the capabilities of its leaders, who, crucially, can come from every level of the organisation. Employees at all levels of the supply chain are encouraged to step up, share their ideas and help introduce new processes and ways of working that benefit the business and its employees.

# **Encouraging diversity and managing talent**

'Diversity at Lion is defined as 'all the ways we are different from each other'.

Building on the foundation of a constructive culture, Lion has a diversity of thought strategy in place.

## **Conclusion**

Lion's commitment to its people has enabled the organisation to position itself as a leader in the food and beverage industry.

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## Introduction

Lion is one of Australasia's leading beverage and food companies and manufactures some of Australia and New Zealand's favourite milk, juice, yoghurt, cheese and soy beverages, along with market-leading beer and wine brands.



Lion employs close to 7,000 people in Australia and New Zealand. It also makes an estimated direct and indirect economic contribution of \$5 billion each year to these economies through its purchase of agricultural goods and sales and distribution to the retail, hospitality and tourism industries.



### Values and strategy

Lion believe that business is all about relationships – between the company – and all of its **stakeholders** including its customers, consumers, people, suppliers and the wider community. Strong relationships can only develop if its people demonstrate **constructive behaviours** on a regular basis. These behaviours are encouraged and developed by Lion's leaders, who lead by example and therefore shape the behaviour of their teams. The outcome is Lion's **culture**, described as 'the way we do things around here'.

A **company's values** are the operating philosophies that guide its conduct and decision-making processes (both at an organisational and employee level on a day to day basis) as well as its relationship with all of its stakeholders. Used effectively, these values are like a cultural glue that 'connect' the team and support a community based on shared goals.

Lion's business is founded on five core values, which form the basis of every decision made, as well as guiding daily interactions with its people, customers, suppliers and the wider community.

These values are:

- Integrity
- Achieving together
- Sociability
- Wellbeing
- Passion.

# Our Our Our People + Society + Environment = Sustainable Growth

Company culture is one of the key influencers of a sustainable business. An effective company culture is one where its people's actions and way of working mirror the values of the company and is essential for ensuring that people understand the overall objectives of the company and how they are expected to work towards achieving these.

Lion prides itself on its achievement culture, with a strong focus on engagement and leadership. It strives for a common sense of purpose, encouraging high levels of ownership, self-set goals, a focus on solutions rather than problems and a positive attitude towards change. The company has set specific cultural goals, with the aim of having employees demonstrating constructive behavioural styles of 75% or more and defensive styles of 25% or less by 2015 as measured by **Human Synergistics Organisational Cultural Inventory (OCI) Tool**.



Engagement is how people think, feel and act every day. Effective employee engagement is crucial to a successful business in the longterm as high engagement fuels increased **revenue**. Highly engaged employees are more enthusiastic about their work, more productive, believe in the company and its objectives, and demonstrate that belief through their actions and attitudes. Engaged employees are also more likely to bring fresh ideas to a business and are less likely to seek opportunities elsewhere.

Lion believes that building an achievement culture and promoting high levels of engagement with its employees will encourage its people to achieve great things – and achieve them in a way consistent with its core values. This drives business success by ensuring positive results and experiences for all stakeholders.

Lion invests in research to discover the key drivers of its people's engagement. In its most recent research, it has identified three main areas of importance:

- A clear sense of purpose feeling like a valuable member of the organisation
- A sense of wellbeing enjoyment from work
- Reputation feeling proud to work for Lion.

To continue to build engagement across these measures, Lion and its leaders focus on these areas and develop action plans to grow them.

# **Building leadership capability**

Lion has a strong focus on building the capabilities of its leaders, who, crucially, can come from every level of the organisation. Employees at all levels of the supply chain are encouraged to step up, share their ideas and help introduce new processes and ways of working that benefit the business and its employees.



Effective leadership is a prerequisite of all successful organisations. Good leadership affects everything from customer satisfaction to 'bottom line' results. Poor leadership can result in weak governance, a lack of direction, demotivated employees, poor customer satisfaction and under-performance.

Lion has a distinct leadership strategy that is focused on developing every facet of a leader, including their values, strengths, behaviours, thinking style and technical skills and knowledge. Lion believes in 'authentic leadership' – being true to yourself and others and exhibiting positive behaviours such as self-awareness, courage and – trust – as well as supporting and building these behaviours in other team members. This type of leadership allows people within Lion to build long-lasting relationships with each other and all external stakeholders – customers, consumers, suppliers and the community at large – and it is these relationships that create business success.

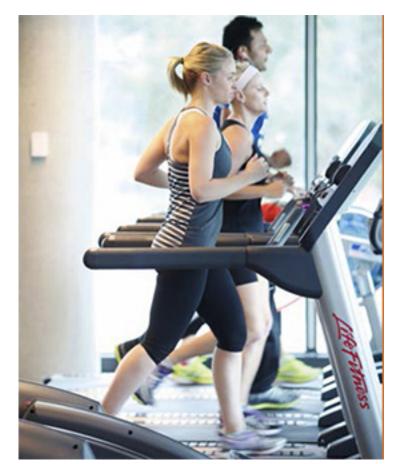
Leadership and company culture are intrinsically linked at Lion. The company has identified 10 Behaviours That Add Value (BTAV) and these underpin its leadership model. Lion encourages all its people to demonstrate these behaviours, believing they are crucial attributes of a good leader as well as encouraging a positive company culture.

Employees are also provided with leadership training and development. Leadership development is crucial to ensure leaders have the opportunity to develop their values, behaviours, thinking style and skills. This drives an achievement culture.

Lion uses a mix of different learning experiences to supply leaders with lasting, high-quality skills following the 70:20:10 principle whereby 70% of learning comes from on the job experiences, 20% from coaching and peers and 10% from formal learning. Some of the formal learning opportunities include face-to-face programs that require on-the-job application after the training, online learning modules, coaching, and online resources available through Lion's 'Development Portal'. Leaders are encouraged to share what they have learned with their teams to cascade knowledge through the company and embed learning in the workflow.

# **Encouraging diversity and managing talent**

'Diversity at Lion is defined as 'all the ways we are different from each other'.



Building on the foundation of a constructive culture, Lion has a diversity of thought strategy in place. This includes training for leaders in unconscious bias and ethical decision-making to ensure leaders are aware of and addressing their own biases, remain open to different perspectives, including in the recruitment process, and consider the reasonable expectations of their stakeholders in their decision making.

Nurturing the next generation of leaders through these initiatives and other leadership programs that focus on authenticity also encourage leaders to be themselves but with skill and play to their individual strengths.

Lion has taken learnings from positive psychology to enhance the organisation's approach to wellbeing, which includes flexible working practices, making it easier for employees to balance work and family commitments.

Although diversity goes beyond gender, it is worth mentioning that 40% of senior leadership roles at Lion are currently held by women. Lion remains focused on building a strong bench that includes equal representation of women, to become future leaders.

### Encouraging wellbeing

Wellbeing has been identified by Lion as one of the key drivers of its people's engagement. The company has developed a wellbeing strategy that incorporates its employees'

psychological and social needs, as well as protecting their physical safety. From a physical safety perspective, wellbeing is measured by monitoring the number of injuries sustained by the workforce and the amount of lost time caused by these. Both of these saw significant reductions between December 2011 and December 2013.

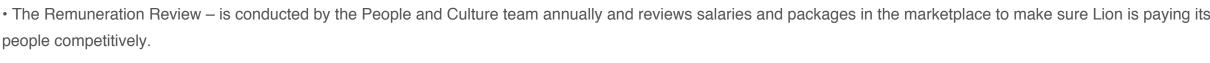
In 2013, 83% per cent of respondents to a Lion engagement survey said that they enjoyed going to work each day and 93% per cent felt that people in their work area took action to ensure their safety. These are positive results, but in line with Lion's emphasis on continual improvement, the company has implemented new initiatives to build on these foundations. These include:

- Delivering its Wellbeing@Lion program to leaders across the business. This is designed to help Lion's leaders understand the wellbeing strategy and allow them to support and improve the wellbeing of their team members.
- Rolling out standardised safety and wellbeing plans across all sites to establish a consistent approach to safety and the ability to identify opportunities for improvement.
- Implementing a group-wide 'permit to work' system for high-risk activities.
- · 'Quality safety conversations' between leaders and team members to provide feedback on positive safety behaviours and find opportunities for improvement. Developing an online Safety and Wellbeing module for both existing employees and new starters.

#### The people processes

Lion's people processes help the company grow people's careers, ensuring they are happy in their work and that they make a difference to customers, consumers and the community. The people processes bring the 10 Behaviours That Add Value to life and foster a culture of continuous development, where feedback is timely and actionable, and there is a focus on behaviours as well as technical competencies. They include:

- Achievement Planning providing employees with meaningful goals and objectives that connect individual roles to the overall business vision and strategy.
- Development Reviews a self-assessment process encouraging people to reflect on their behaviours and career goals, receive feedback and create a development plan that will support their goals. These plans also allow the business to identify the leaders of the future.
- Achievement and Bonus Reviews these assess and recognise achievements and behaviours over the past 12 months and are measured against the goals and objectives agreed in the Development Reviews.
- One on Ones a crucial part of the development process that allows regular benchmarking against set goals and ongoing coaching.
- The Remuneration Review is conducted by the People and Culture team annually and reviews salaries and packages in the marketplace to make sure Lion is paying its



### Doing business the right way

Lion's focus on doing business the right way extends outside its interactions with its people and out into the wider community. Lion understands that businesses exist and grow only with the permission of the communities in which they operate, and for Lion to maintain its licence to operate the organisation must act responsibly and sustainably.

Doing business the right way spans the way Lion governs the business and manages risks, to how products are manufactured in a safe and sustainable way, innovation to encourage responsible and sociable consumption, the way products are taken to market, Lion's approach and commitment to self-regulation and investments in the community.

Lion is also working hard to improve energy and water efficiency and reduce its carbon footprint at sites across the Tasman. Lion continues to work collaboratively with industry partners in Australia and New Zealand on initiatives to increase recycling and reduce litter. To ensure Lion is continuing to live up to community expectations, the Lion Corporate Reputation Study is conducted every two years to assess the reputation and trust Lion has built in the community. It asks Lion's varied group of stakeholders (including consumers, suppliers, customers, distributors, farmers, government, media, NGOs, marketing and sponsorship industry groups) what they think of Lion as an organisation, as well as their opinions on broader issues of shared interest. These views and levels of engagement are then incorporated into Lion's 'Balanced Business Strategy' – which means there is a direct link between how stakeholders view the business, and their expectations of Lion, and how our Lion's leaders manage the business and allocate resources.

## Conclusion



Lion's commitment to its people has enabled the organisation to position itself as a leader in the food and beverage industry. By focusing on strengthening relationships both internally within the organisation and externally within the communities in which it operates, Lion's positive culture has enabled the organisation to remain a strong and sustainable business. By investing in the development, leadership and engagement of their staff through a variety of strategies, Lion's employees regularly demonstrate constructive behaviours. The achievement culture that has been fostered throughout the organisation helps build strong stakeholder relationships ensuring the success of the company as a whole.

Company

**Learning Areas** 

Resources

**Edition** 

Lion

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