

Success uncovered

How the World's Most Admired Companies Leverage Human Capital Strategies and Practices to Sustain Performance

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Leading lights in 2011 WMAC and HRE rankings: methodology and results

FORTUNE survey of World's Most Admired Companies

What is it?

- FORTUNE has combined the America's Most Admired Company (AMAC) survey and the World's Most Admired Company (WMAC) survey to generate one global ranking
- Candidate companies:
 - FORTUNE 1,000 companies
 - non-us Global 500 companies with revenues of \$10 billion or more
 - and top foreign companies operating in the US
- Companies rated both overall and relative to their industry peers by executives, directors and analysts
- A total of **673** companies from **32** countries were surveyed
- Industry rankings generated for **57** industries

Determination of industry rankings

Raters are asked to assess each eligible company in their industry on each of nine attributes:

1. Ability to attract and retain talented people
2. Quality of management
3. Quality of products or services
4. Innovativeness
5. Long-term investment value
6. Financial soundness
7. Wise use of corporate assets
8. Social responsibility
9. Effectiveness in conducting business globally

HR Focus Areas

FORTUNE

2 Listed below are some of the largest companies in their industry, as classified by FORTUNE. How would you rate these companies on each of the following attributes? Ratings may be based on your firsthand knowledge of these companies or on anything you may have seen or heard about them. Please use the scale below to rate each of the companies on the attributes listed.

(Please disregard the numbers alongside the answers. They are only to help us in data processing.)

	0	1	2	3	4	5	6	7	8	9	10
	POOR		FAIR		GOOD		VERY GOOD		EXCELLENT		
Industry	Ratings (0-10)										
	Ability to attract and retain talented people	Quality of management	Quality of products or services	Innovativeness	Long-term investment value	Financial soundness	Wise use of corporate assets	Social responsibility	Effectiveness in conducting business globally	None of these	Other
Boeing											100
General Dynamics											100
Goodrich											100
Honeywell International											100
Lockheed Martin											100
Northrop Grumman											100
Raytheon											100
Tiempo											100
United Technologies											100

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'All stars' for 2011

1	Apple	11	Wal-Mart Stores
2	Google	12	IBM
3	Berkshire Hathaway	13	General Electric
4	Southwest Airlines	14	Walt Disney
5	Procter & Gamble	15	3M
6	Coca-Cola	16	Starbucks
7	Amazon.com	17	Johnson & Johnson
8	FedEx	18	Singapore Airlines
9	Microsoft	19	BMW
10	McDonald's	20	American Express

WMAC leaders: Top 20 across HR focus areas

1	Apple	11	Medco Health Solutions
2	Google	12	Polo Ralph Lauren
3	Amazon.com	13	Charles Schwab
4	Nike	14	STATOIL
5	Walt Disney	15	Exxon Mobil
6	Nestlé	16	McDonald's
7	Netflix	17	IBM
8	W.W. Grainger	18	United Technologies
9	Royal Dutch Shell	19	VF
10	Goldman Sachs Group	20	Whole Foods Market

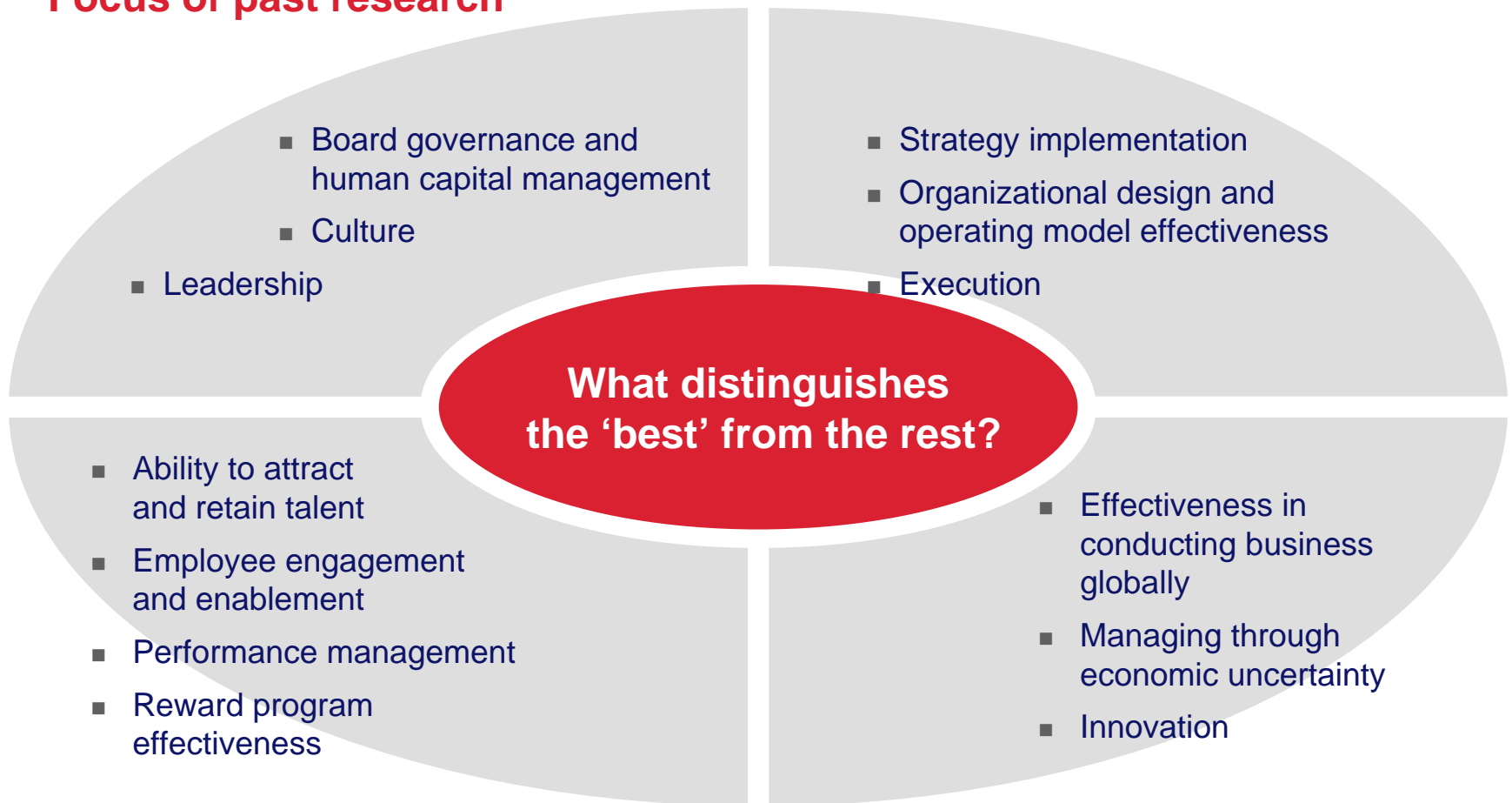
The value of reputation

WMACs outperform industry peers and the market as a whole

	Total shareholder returns	
	WMAC	S&P 500
One year	22.6%	15.1%
Three years	4.3%	(2.8)%
Five years	8.3%	2.3%
Ten years	7.8%	1.4%

Key differentiators of World's Most Admired Companies

Focus of past research



This year's research

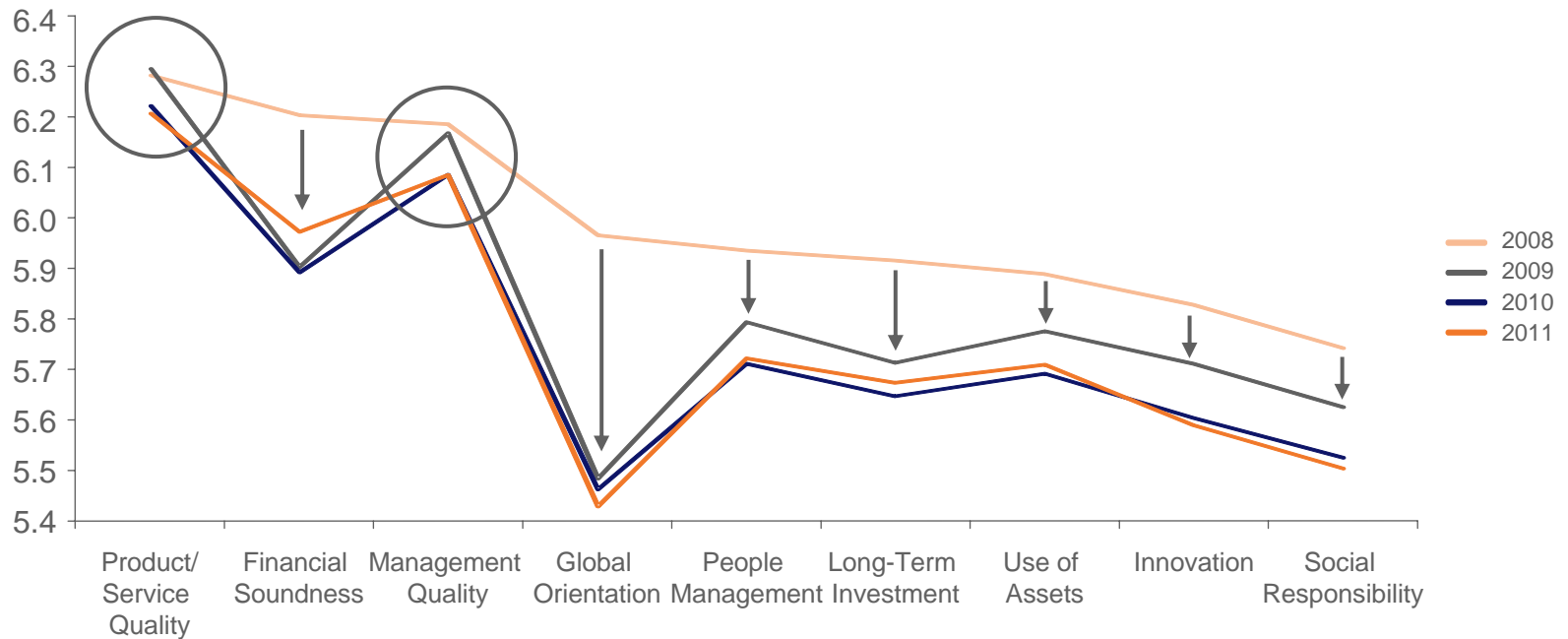
Our focus

- A hallmark of WMACs is consistently strong performance and reputations amid changing business conditions
- Last year's research confirmed that many organizations drew heavily on the 'reservoir of goodwill' to mangle through the economic downturn
- Looking ahead, leaders will need to revisit strategies, systems, processes and roles to ensure success
- This year, our research focused on approaches WMACs are taking to sustain performance



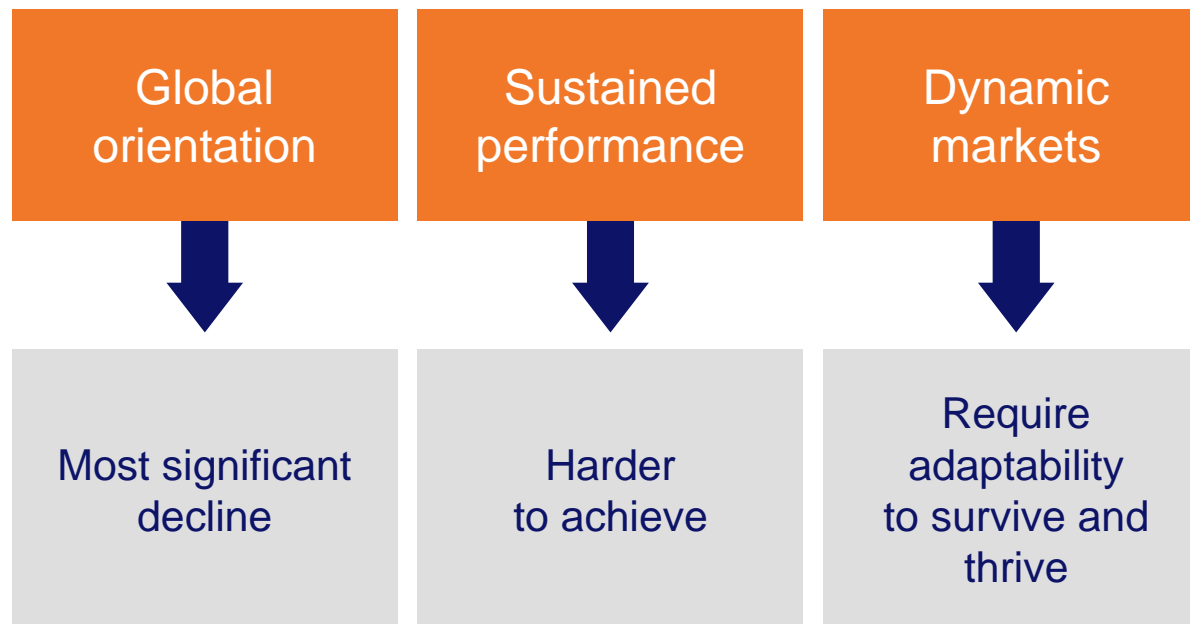
Sustaining performance

Reputation trends across industries



Reputation outlook

Post-recession trends

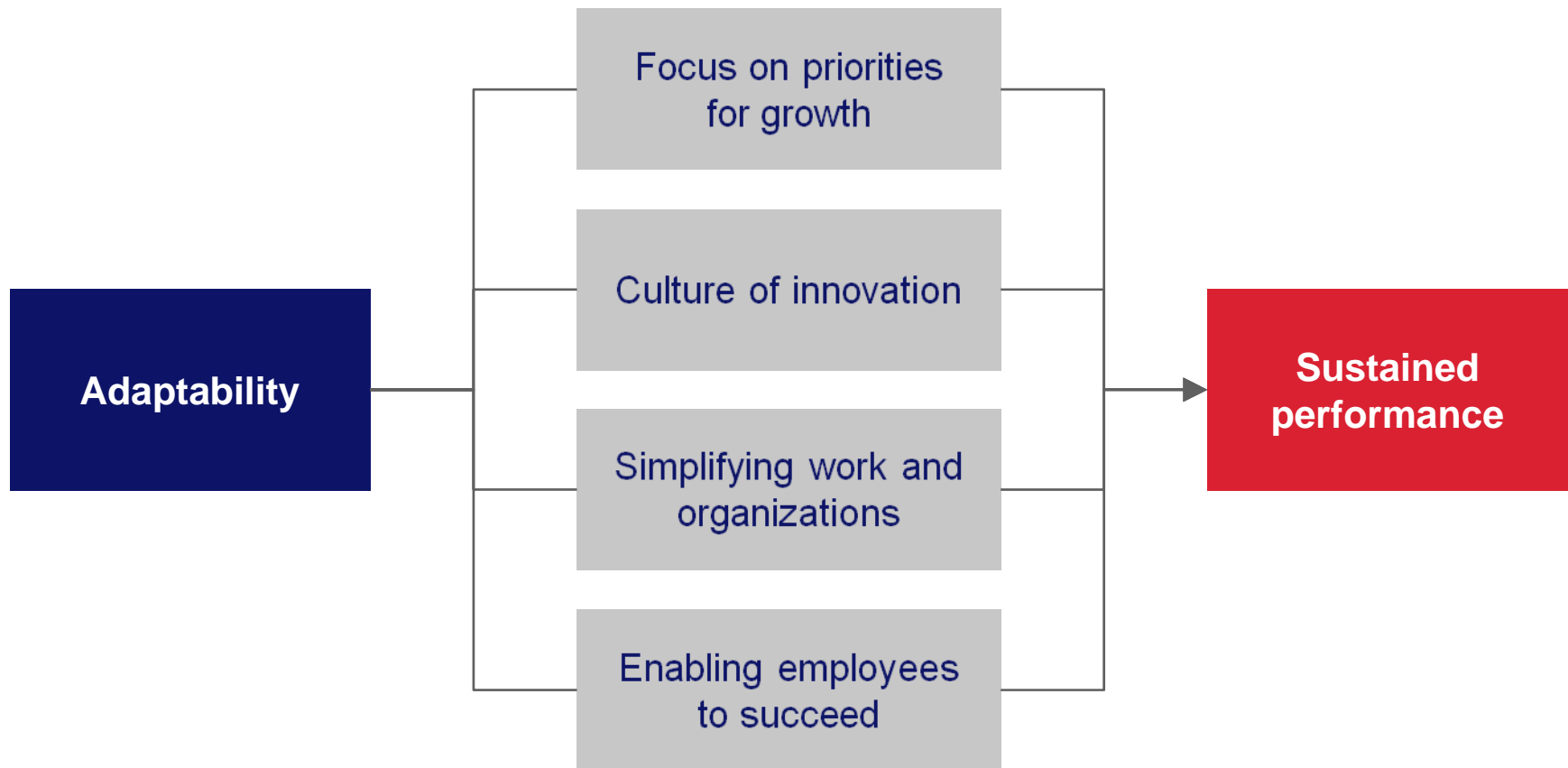




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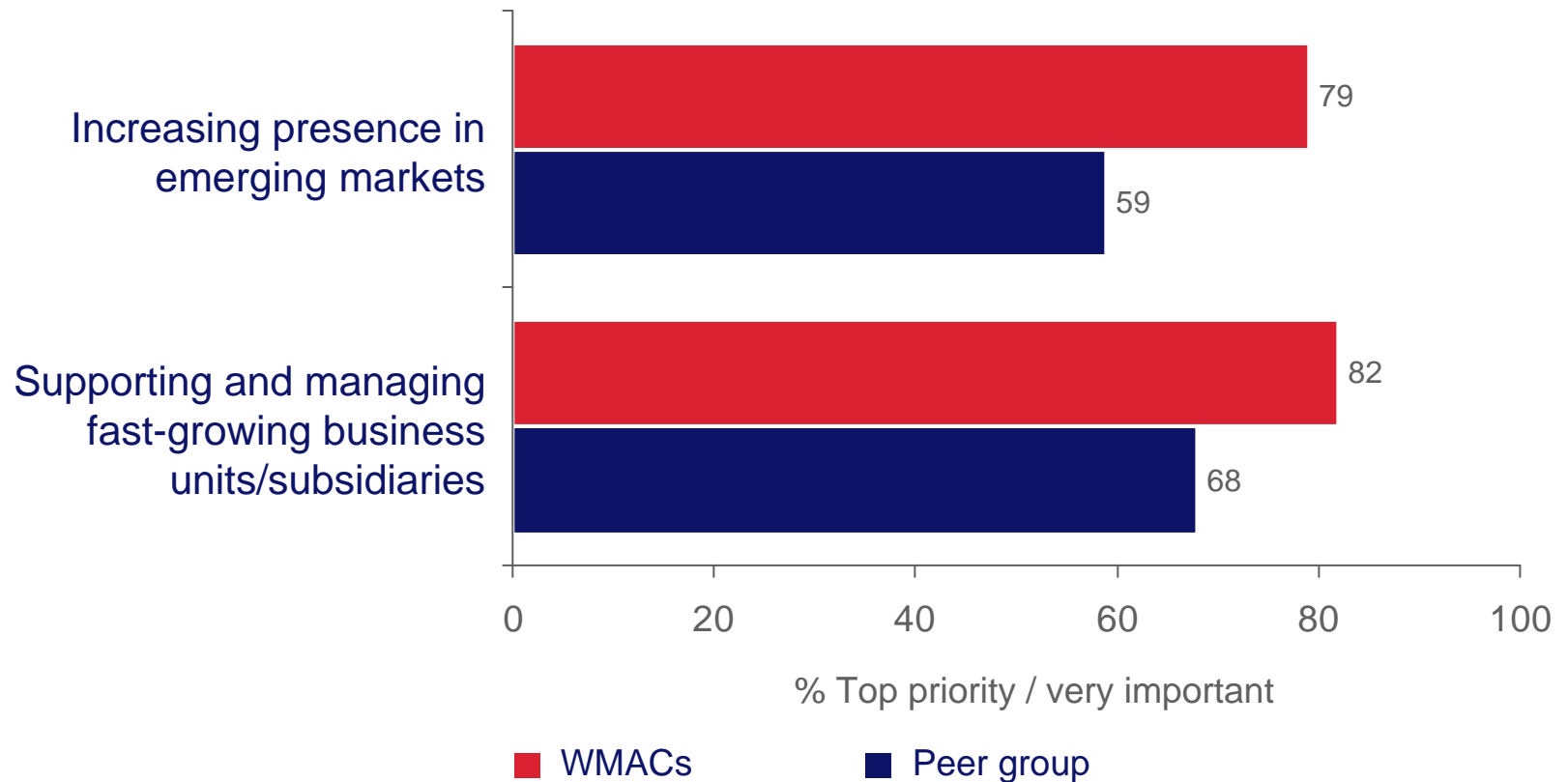
Sustaining performance:
How the World's Most Admired
Companies do it

Sustained performance: 2011 findings



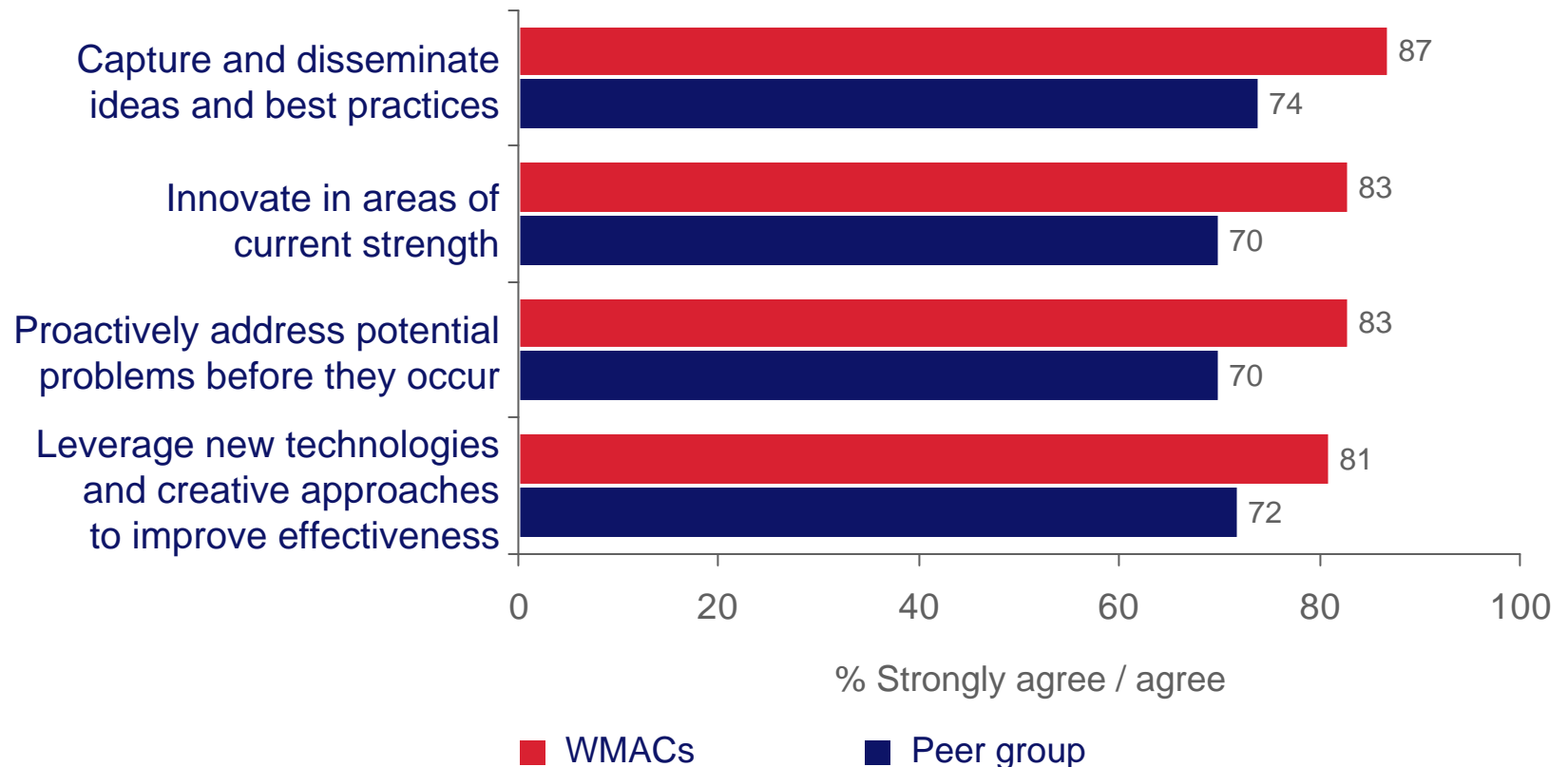
Focus on priorities for growth

How much of a priority are these issues...



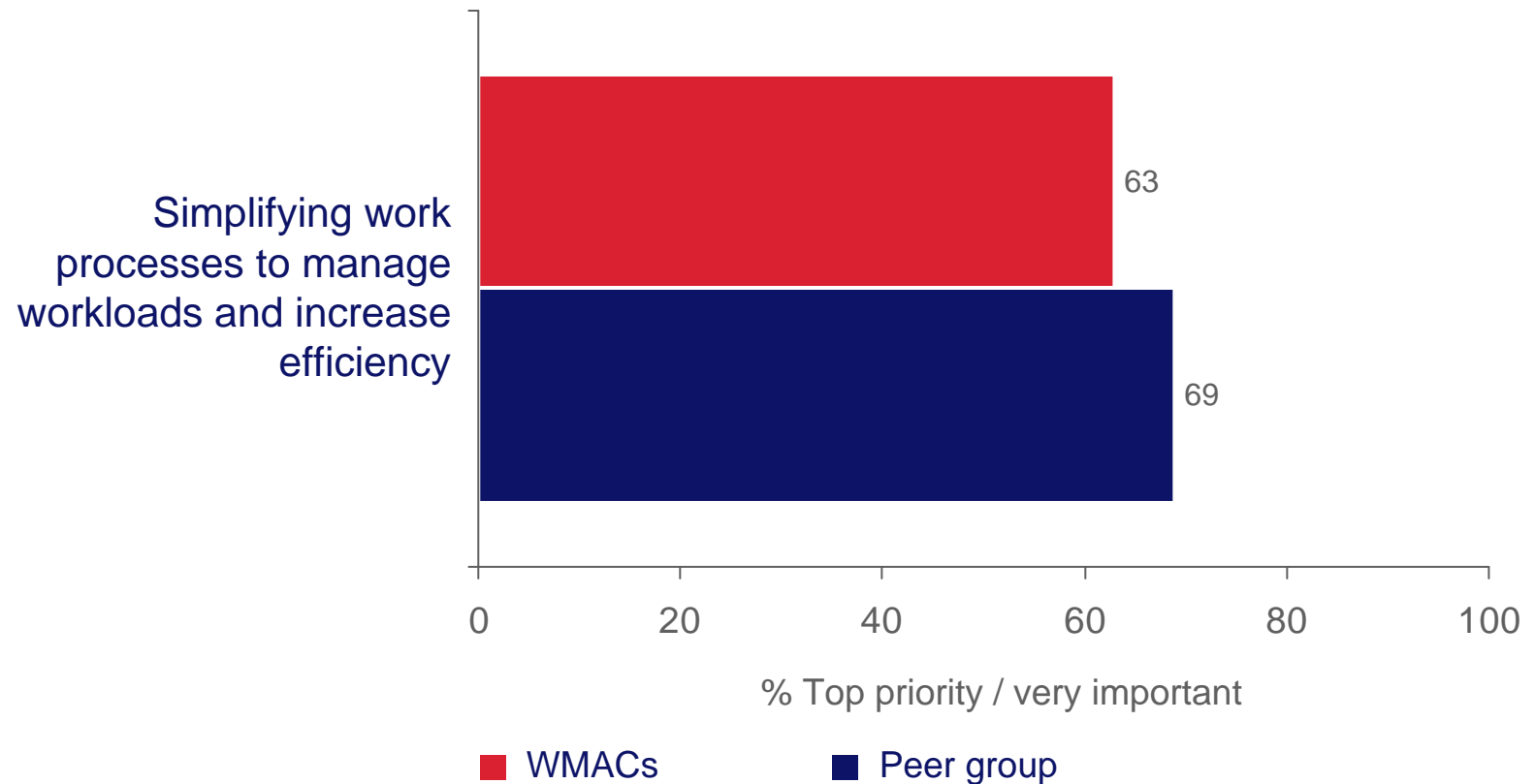
Culture of innovation

How the World's Most Admired Companies innovate



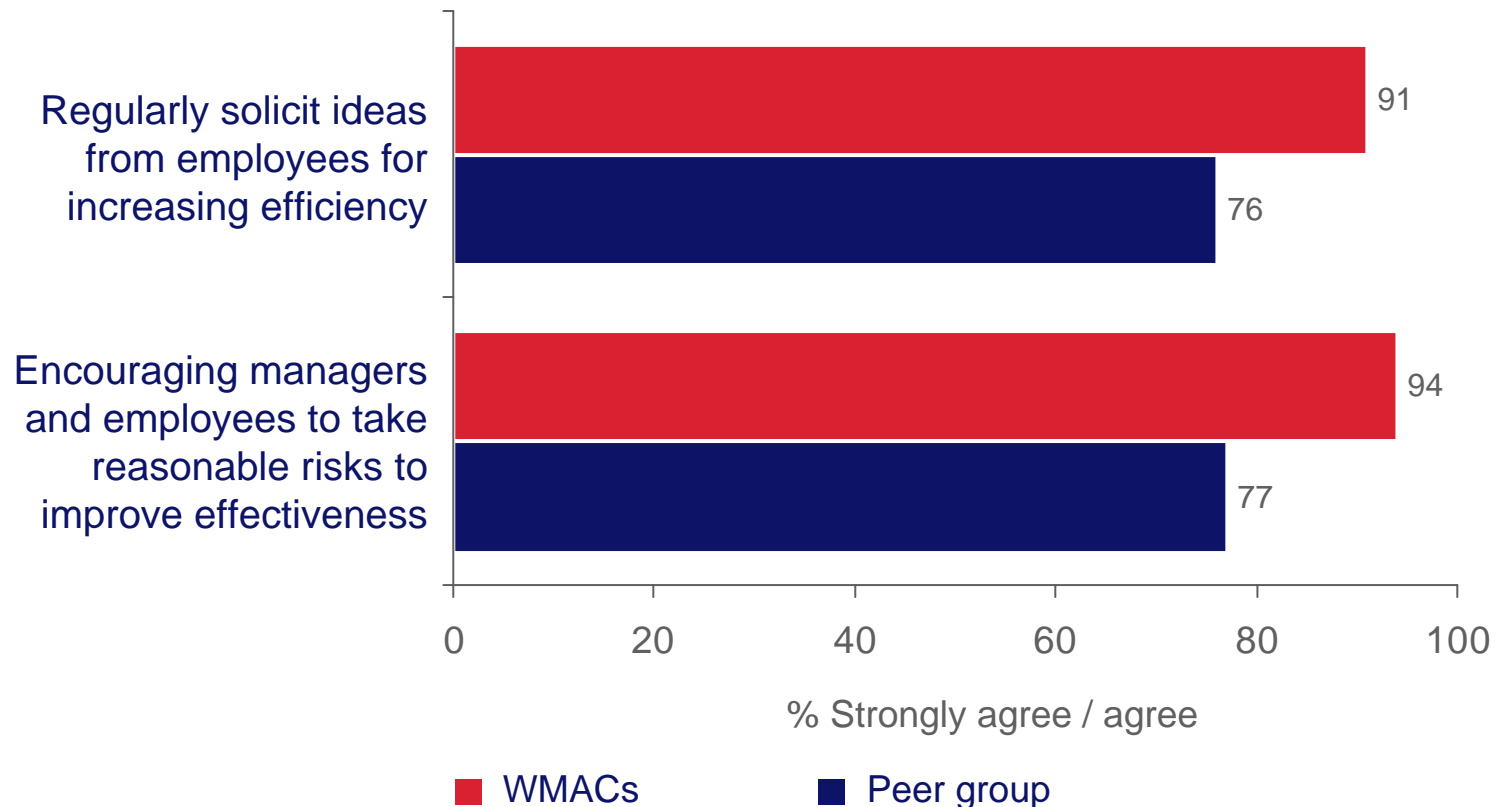
Revisiting work processes

How much of a priority are these issues...



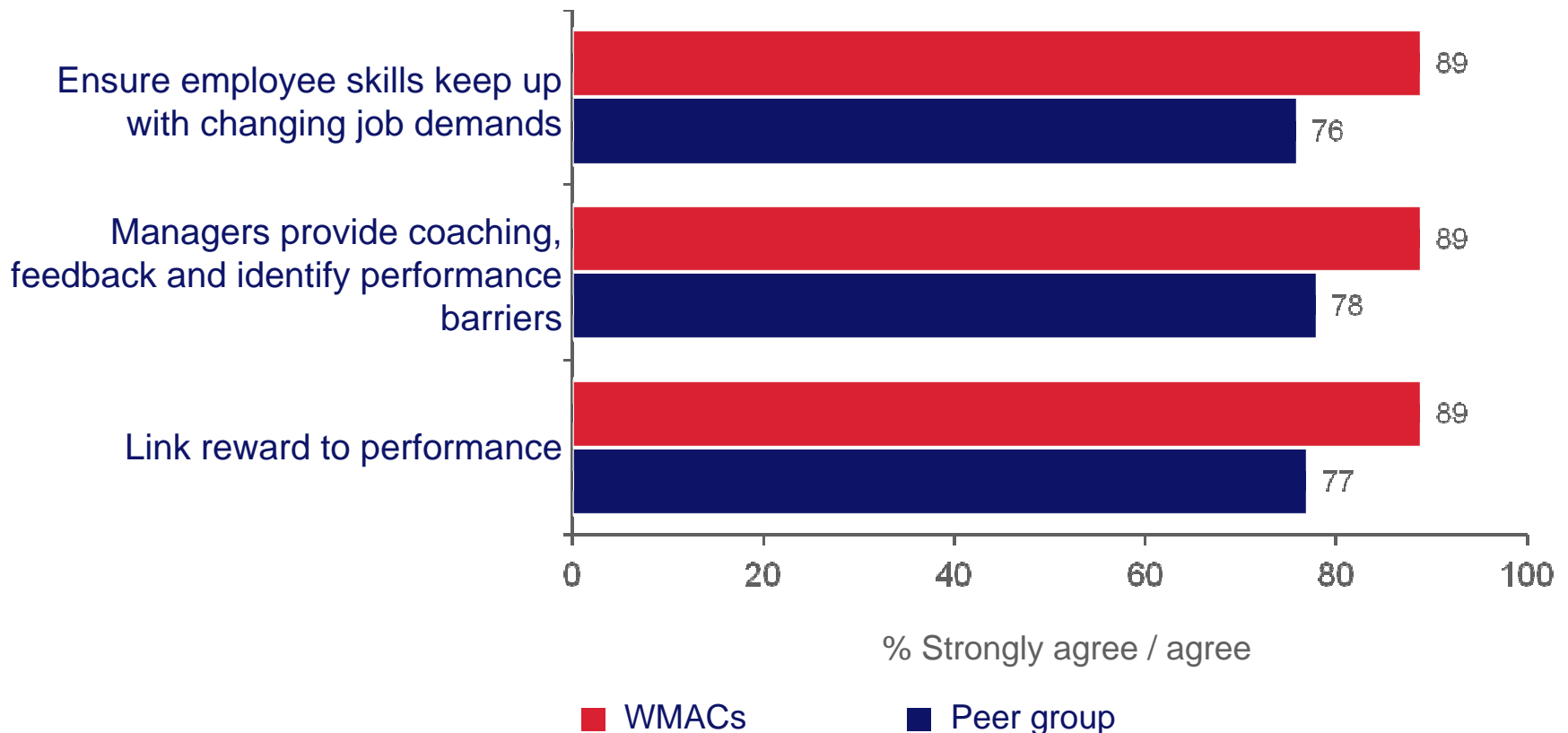
Employee involvement

World's Most Admired Companies engage employees to improve efficiency and effectiveness



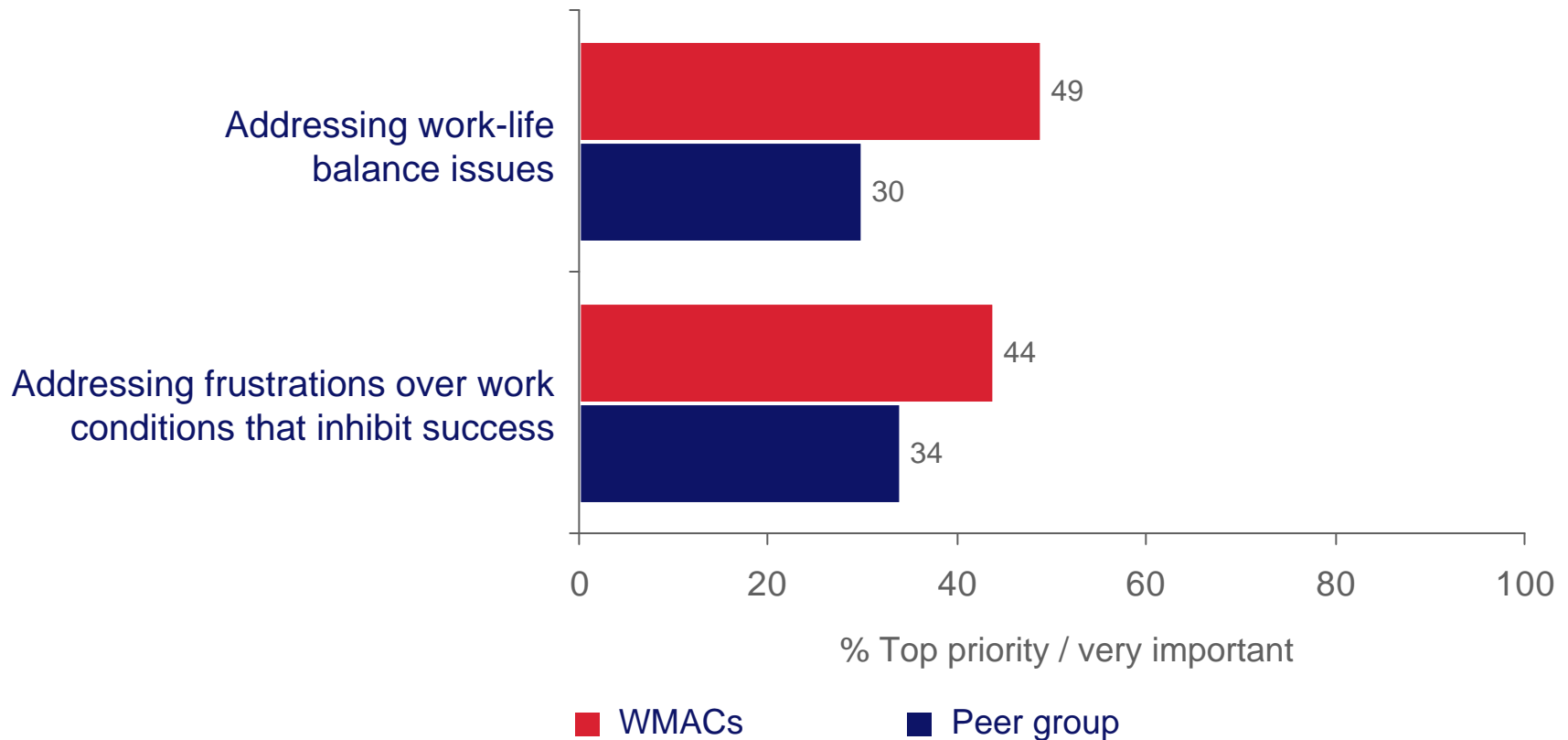
Enabling employees to succeed

How World's Most Admired Companies invest in performance



Managing workloads to sustain performance

How much of a priority are these issues...



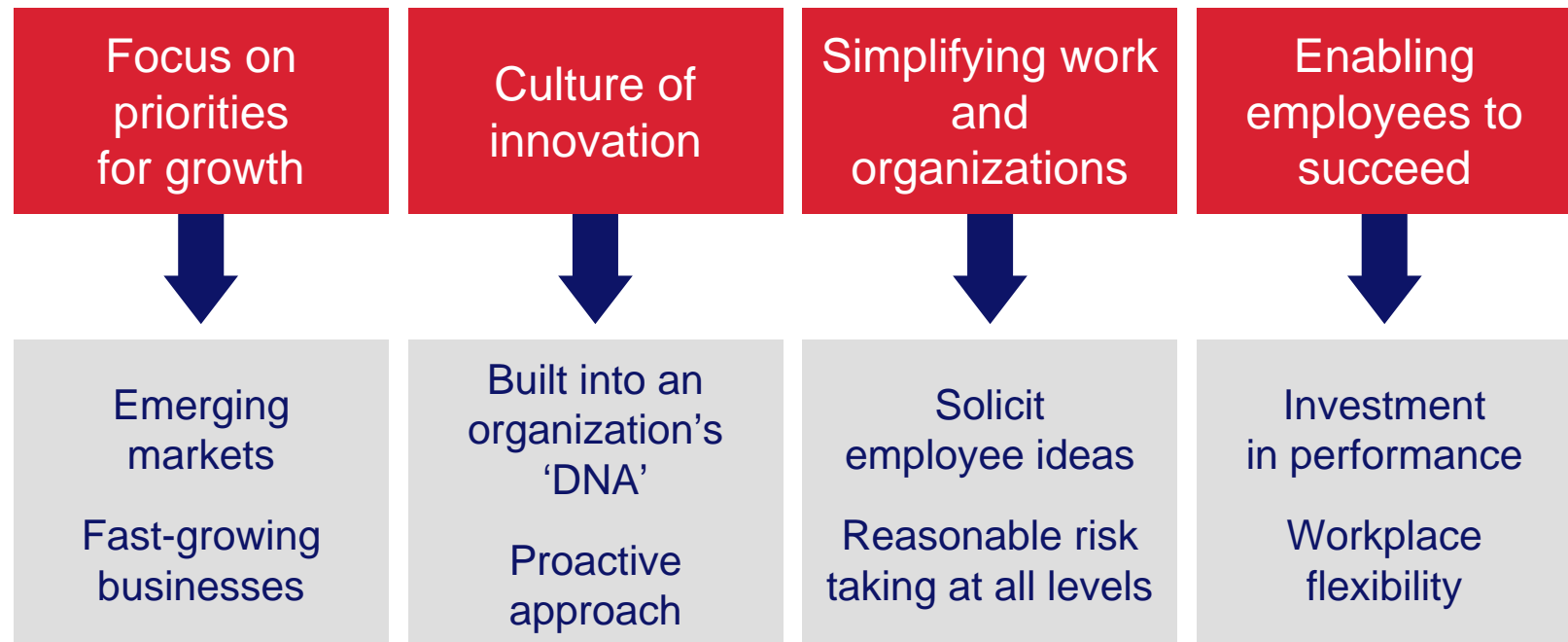


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Summary

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What can we learn from the World's Most Admired Companies? *Adaptability is the key to sustained performance*





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Questions

Questions?

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www.haygroup.com/fortune

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