

# A CRITICAL LINK to Employees

**Committed to employee engagement,  
Avnet takes action**

By Lucie P. Lawrence



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chief executive officer,  
Avnet, Inc.

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“When the tech bubble burst in 2001, it was devastating for us,” recounts Roy Vallee, chairman and chief executive officer of Avnet, Inc. As one of the world’s largest distributors of electronic parts, computer products and embedded technology, the Fortune 500 company spent two years restructuring and was forced to reduce its headcount by 35 percent. Revenues dropped 40 percent.

“We were very conscious of the stressful work environment this created for employees and worked diligently to get things back on track,” says Vallee.

Those efforts paid off. Named to Forbes’ Global 2000 list of the world’s largest companies and recognized by Fortune as one of “America’s Most Admired Companies,” the technology distributor generated revenues of \$17.95 billion in 2008. One key driver of Avnet’s success: Its global employee engagement survey. In addition to helping meet financial goals, the engagement survey will be a critical resource for Avnet’s management team as they work through the current economic crisis.

# LINK

# to Employees

PHOTOGRAPHY BY DAVID ZICKL



## Avnet, Inc., at a Glance

- One of the world's largest industrial distributors of electronic parts, enterprise computing and storage products, and embedded subsystems
- Founded in 1921; incorporated in 1955
- Headquartered in Phoenix, Ariz.
- Number 163 on the Fortune 500 list
- Approximately 100,000 customers and 300 suppliers
- More than 300 locations in 70 countries
- Ships 32,000 line items per day

## World-class scores

Partnering with Watson Wyatt, Avnet has been conducting an employee engagement survey for the past five years. "Employee engagement is critical – downright vital – to our success, especially in light of the current financial environment," says Vallee. "High employee engagement leads to better customer experiences, which leads to customer loyalty and higher sales and profits. Our employee engagement survey allows us to understand our employees and assess their level of engagement. This is particularly important during times of dramatic change."

Avnet also uses the survey to seek in-depth input from employees. "We want to know where we are today, what employees need, what they believe works, what we can change and where we need to prioritize our activities," says MaryAnn Miller, senior vice president, global human resources. "As leaders, we'd like to believe that we have all the answers, but we need to spend more time actually listening to our employees."

The survey also gives the management team an assessment of where Avnet's employee engagement level is relative to other companies. Avnet uses Watson Wyatt's Global WorkAttitudes research to benchmark the survey responses against global, regional and high-performing norms. "This information is extremely valuable to Avnet and our other clients," says Matthew Kamensky, Watson Wyatt senior consultant. "It provides a relevant and meaningful comparison and helps raise the bar for motivation and continuous improvement."

This was obvious with the release of Avnet's 2008 survey results. "An impressive eighty-three percent of our employees participated in the survey, giving us significant feedback. And for the fourth consecutive year, we improved in each of our five key indices: employee engagement, commitment, values, line of sight and inclusiveness," says Miller. "We are pleased to be achieving the type of results that Watson Wyatt considers to be world-class for its clients."

## Spreading the word

But gathering this information is only one piece of the puzzle.

"We consistently communicate to employees that their voice has a bearing on our actions and helps to drive change," says Steve Church, chief human resources and development officer. In addition to communicating the survey results company-wide, HR publicly recognizes the managers and business units in each region with the



Watson Wyatt senior consultant Matt Kamensky (left) with Avnet's MaryAnn Miller, senior vice president, global human resources, and Ken Arnold, director of talent acquisition and HR operations

highest scores, as well as the most improved scores.

Church also reads all employee comments from the survey – more than 4,000 this year. “I make a point to read every response, because this is where all of the emotion lies. This is how I understand what’s in the hearts and minds of our employees. I then share these comments – good and bad – with leaders. They also need to hear what our people are saying about Avnet so that we can take meaningful actions across our business.”

## Taking action

In response to feedback collected through the survey, Avnet's leadership, management and employees join forces to identify specific areas for improvement and then design plans for action. “The true value of the survey is recognized during this process,” says Ken Arnold, director of talent acquisition and HR operations.

Globally, many of Avnet's locations create task forces or committees. This ensures that a representative group of employees are helping to brainstorm and implement solutions, and to provide input going forward.

Involving employees in the process is vital to improving employee engagement, and employees are urged to play a central role in developing their own impact plans. “This

## Employee Surveys in Today's Tough Economy

Engagement happens – or doesn't happen – within each employee, but the cumulative effect of employee engagement makes a big difference for organizations. And in today's economy, it could be one key to helping your company get through the present downturn and prepare for recovery. However, making the right decisions requires knowing your employees and what drives them to perform at their best.

Measuring and understanding the attitudes of your workers through an engagement survey will help you make decisions that:

- Maintain, and even increase, the engagement of workers who will remain with you during these tough times
- Ensure that worker productivity remains as high as possible while you are making any short-term changes
- Strengthen your ability to keep the right people while luring critical new talent
- Position your company to be stronger when the economy turns around

accountability contributes to the creation of strong, meaningful plans,” says Church.

Avnet’s goal is to ensure that all employees and managers understand the importance of taking action. The HR team requests that managers whose scores declined the most or are farthest below regional norms send their impact plans directly to the CEO and chief operating officer. “We have found that by doing this, it’s unlikely for these managers to have low scores again the following year,” says Church. “Managers know we take all plans seriously and hold them accountable for executing them.”

Avnet uses Watson Wyatt’s online **ActionSite** tool to help build accountability and track progress on impact plans created by managers. “The tool’s ActionLibrary allows managers to select from a list of best-practice actions tied to each of the survey questions,” says Lynn Shemmer, Watson Wyatt senior consultant. “It also allows HR to track the quality of plans and effectively share best practices.”

## Looking ahead

Striking the right balance between how often to conduct the employee survey and how much time is needed to implement action plans is a science as much as it is an art. Avnet has been conducting its survey annually, but the company may modify the cadence in the future.

“It’s a good practice to administer the survey annually until you can get a sense for how your employees are viewing their work environment. This frequency is also good until you see fully implemented action plans and continuous improvement throughout the organization,” explains Arnold.

Adds Church, “But at some point, the decision to do the survey once a year needs to be reevaluated to determine how to take the process to the next level.”

To supplement its employee communications of the survey results, Avnet plans to launch a communication campaign to highlight changes the company has made over the past five years and spotlight its current global challenges.

“We’re seeking actionable results,” says Arnold. “Results that make a real difference, Particularly in these tough economic times.”

While Vallee considers the latest employee survey a success, he says that Avnet’s work is far from done.



Watson Wyatt senior consultant Lynn Shemmer with Steve Church, chief human resources and development officer, Avnet

## About the Survey

- The questionnaire was translated into 10 languages.
- More than 10,000 questionnaires were completed.
- The overall response rate was 83 percent.
- Eighty-eight percent of respondents completed the questionnaire online; 12 percent completed paper surveys.
- For the fourth straight year, results improved across the board.
- Avnet continues to improve its engagement index score and to exceed Watson Wyatt’s Global WorkAttitude benchmarks.



“The survey has highlighted many of Avnet’s strengths, but we have also identified many opportunities for continued improvement. Our goal is to sustain what we’re already doing right and strive to further outperform ourselves in all categories. By doing this, Avnet will make great progress in becoming the premier employer in the technology distribution industry.”

He adds, “I am extremely proud of our accomplishments, but we didn’t do it alone. Watson Wyatt worked with us to understand and modify our objectives, streamline our administrative processes, and construct and administer the survey. They benchmarked our results and supplied us with a tool for tracking action plans. And they gave additional perspective to our senior leaders about the importance of people practices. Throughout our relationship, they have provided us with continuous support and guidance. It has been a valuable partnership.”

## Sage Advice

To administer a successful employee survey:

- Ask the right questions. A concise survey adapted to your specific needs will keep your employees’ attention and uncover the information you seek.
- Ensure leadership is on board. If leaders understand the importance of the survey, this message will trickle down.
- Develop a detailed project plan. Disorganization will create many problems.
- Be clear about your goals. This is not a satisfaction survey, but a way to measure the engagement level of employees. Encourage – don’t force – employees to respond and to be candid in their comments. Don’t use the survey results to reward or punish managers.
- Listen to employees’ input, and let them know you heard them. Read every single comment.
- Act on the feedback. Enlist leadership, management and employees to join forces to create an impact plan to address specific areas for improvement identified in the survey.

## locations

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