

Quality People Management CEO Profile: Colleen Wegman, Wegmans Winner of the ISO 10018 Honorary CEO Citation for Quality People Management

By Bruce Bolger

This profile of Colleen Wegman, the CEO of Wegmans, the 37th-largest supermarket chain in the U.S., continues ESM’s new Quality People Management CEO series honoring chief executives at organizations that base their success on a strategic and systematic approach to engaging all stakeholders—customers, distribution partners, sales and nonsales employees, vendors and communities. The Honorary CEO Citation singles out leaders with a strategic focus on Human Capital Management in order to provide CEOs, boards of directors and other executives a new paradigm for 21st century people-centric leadership. In recognition of Colleen Wegman’s accomplishments, ICEE has awarded the Wegmans CEO its third ISO 10018 Honorary CEO Citation for Quality People Management (see ESM: “[A CEO’s Guide to Engagement Across the Enterprise](#)”). The first recipient was [Hubert Joly](#), CEO of Best Buy; the second was [Bill McDermott](#), CEO of SAP.*



There's a lot of talk today about the importance of the employee experience, but let's face it: how do you create a great employee experience for many of the employees that work in the grocery trade, in the kitchens, aisles, butcher departments, checkout counters, etc.? It's tough work no matter how you try to sugarcoat it, often done on weekends, evenings and holidays. This makes Colleen Wegman an easy choice for our ISO 10018 Honorary CEO Citation for Quality People Management. Wegman is President and CEO of this family-owned supermarket chain with a stellar reputation with customers, employees and communities—the natural outcome of an enterprise approach to engagement.

Colleen Wegman, Wegmans



***Honorary CEO Citation for
Quality People Management***

Even though privately held and required to share little information about its business practices, Wegmans clearly demonstrates the case of a CEO-led strategic and systematic approach to engagement that is apparent with a thorough a visit to its stores, website, history, customer and employee ratings, and media coverage. One simple mathematical calculation from numbers supplied on the company's website tells an impressive story: With \$8.9 billion in sales and 49,000 employees, the company generates an impressive \$181,632 in revenue-per-employee. By comparison, SAP, a technology company with annual sales of \$26 billion, has average revenue-per-employee of \$270,000. That's an impressive figure when one considers that the average household spends over \$7,000 on groceries a year, according to 2015 [Bureau of Labor Statistics data](#), compared with an [average spend per employee on Information Technology](#) of \$13,000 at mid-sized companies, and about \$11,000 at large companies.

As described on its website, Wegmans is a regional supermarket chain with 98 stores: 46 in New York, 17 in Pennsylvania, nine in New Jersey, 11 in Virginia, eight in Maryland and six in Massachusetts. It is ranked 31st on the 2017 Supermarket News list of the Top 75 Supermarkets based on sales volume. A family-owned company headquartered in Rochester, NY since its founding in 1916, Danny Wegman is Chairman. Robert Wegman, Danny's father, was Chairman until his death in April 2006. Colleen Wegman, one of Danny's daughters, became President and CEO after joining the company in 1991 and working her way up through various departments. Danny's other daughter, Nicole Wegman, is Senior Vice President.

Outstanding Engagement Scores

Wegmans has stellar scores for customer, employee and community engagement. When the company opened its first store in New York City, the *New York Times* wrote glowingly: "Founded in 1916, Wegmans has consistently been ranked the top grocery store in the nation by Consumer Reports and the Food Network, and Forbes placed it among the [top 10 employers in the country](#). Because of its emphasis on prepared foods, the company offered to create at least twice as many full-time jobs (200), and more total jobs (600) than any of the rivals. In its first two weeks of hiring, the store will interview exclusively from the three housing projects that border the Navy Yard, a community it hopes will be on both sides of the checkout line, said Danny Wegman, the grocer's third-generation chief executive. "People need not just good food, but good jobs. Brooklyn provides an incredible opportunity for both."



On [Glassdoor.com](#), 94% of 2,100 reviewers approve of the CEO, and 84% would recommend the company to a friend. Wegmans gets an overall rating of 4 on a scale of 1-5, with the types of complaints one would expect, especially from part-time workers, about flexibility related to hours. Wegmans was recently ranked No. 1 for corporate reputation among the 100 most visible companies, according to the [2019 Harris Poll Reputation Quotient® \(RQ\) study](#). The company's website has a list of awards far too long to list here, but which includes:

- » Ethisphere Institute, a leading business ethics think-tank, recognized Wegmans as one of the world's most ethical companies.
- » Consumer Reports subscribers rated Wegmans, Trader Joe's, Publix and Fairway tops among 52 of the nation's major grocery stores.
- » American Customer Satisfaction Index (ACSI ranked Wegmans highest among supermarkets and it received the highest score across all retail channels.
- » National Down Syndrome Congress gave Wegmans the 2012 Employer Award 'for employing individuals with Down syndrome and providing the necessary supports to ensure positive outcomes.'
- » Greatist.com an on-line publication devoted to health and fitness, ranked Wegmans No. 9 on its 2013 list of the 46 *Healthiest Companies to Work For*.
- » The company has ranked No. 1 since 2015 on Fortune magazine's list of the 15 Best Workplaces in Retail.
- » The National Council on Aging presented Wegmans with its Distinguished Achievement Award for employing senior adults in June 2014.
- » Wegmans is on Forbes magazine's list of America's Best Employers from 2015 through 2018, when it ranked No. 8.
- » Fortune named Wegmans to the magazine's 100 Best Companies to Work For list, every year starting in 1998 through 2019. The company ranked 1st in 2005 and ranked No. 3 in 2019.
- » Glassdoor included Colleen Wegman on its 2018 Best CEOs List, ranking her No. 9.
- » A survey of more than 12,000 consumers nationwide conducted by Market Force Information ranked Wegmans No. 1 America's Favorite Supermarket in June 2018

At college in Colorado, as told to the Rochester, [*N.Y. Democrat and Chronicle newspaper*](#), Wegman became interested in health and natural food and was encouraged by her father to bring that philosophy to Wegmans. She says she "believed there was a benefit to bringing more natural foods into our stores. This was when our Nature's Marketplace department, and Wegmans food-you-feel-good-about brand, was born. My dad's advice to me at the time was, lead with your heart, do what you believe is right, and things will work out. The culture of our company continues to be: begin with a belief and a passion for something, apply high standards, and then take measured risk to bring it to fruition." She says there were a lot of "questions about whether a natural foods department would work 25 years ago. However, these products and philosophies are playing a significant role at Wegmans today, and are a key part of our mission to help people live healthier, better lives through food."

A Strategic Approach

While the company is privately held and doesn't need to disclose any information about its business results or practices, its careers website reads almost like an Annual Report published by a public company. It includes extensive information on its brand values, culture and strategic approach to engaging customers, employees and communities. It's no surprise that the Wegmans [careers website](#) reflects a strategic and systematic approach; after all, Colleen Wegman [advises people](#) to have a written plan for any important initiative.

Brand mission and values. The website plainly states the company's mission: "Our primary business is to help make great meals easy so our customers can live healthier and better lives." The headline of the company's consumer website opens with the headline: "We're Here to Help," offering temporary price reductions on "what families use most." Its values are posted clearly on its jobs website.



- » We care about the well-being and success of every person.
- » High standards are a way of life. We pursue excellence in everything we do.
- » We make a difference in every community we serve.
- » We respect and listen to our people.
- » We empower our people to make decisions that improve their work and benefit our customers and our company.

Connection between customers and employees: “We believe that good people, working toward a common goal, can accomplish anything they set out to do. In this spirit, we set our goal to be the very best at serving the needs of our customers. Every action we take should be made with this in mind. We also believe that we can achieve our goal only if we fulfill the needs of our own people. To our customers and our people, we pledge continuous improvement, and we make the commitment: Every day you get our best.”

Culture. “At Wegmans, diversity is a part of our everyday culture, providing success and opportunity for all. Our people choose us because we’ve created an environment where we live our values every day, we have fun, and our co-workers are like a second family...We truly embody what it means to be a family. Each of our employees—from our cashiers and cooks to our people in the Distribution Centers and Corporate Offices—works together to provide amazing service to all our customers. And with our volunteerism and drive to achieve our mission of helping families live healthier, better lives through food, we build a sense of camaraderie and a genuine bond.”

The commitment to people. “In order to fulfill our goal of being the very best at serving the needs of our customers, we need a caring, diverse team. We strive to attract and retain a team of people that reflects the communities in which we do business. Everyone that works at Wegmans brings unique perspectives, backgrounds and experiences that unite to make us stronger.”

Recruitment. We know excellence takes many types of contributions to create. That’s why we are constantly looking for people with unique perspectives. Our approach is to integrate diversity of thought into everything we do and ensure there is a level playing field for all to success while measuring our progress. By welcoming, encouraging and supporting different viewpoints—47,000 strong—we fuel collaboration, innovation and continuous improvement. We’re seeking highly motivated people who share our values, understand our objectives and embrace our culture no matter their background. By hiring the best, we’re able to bring the best to our customers.”

Feedback. “At Wegmans, we understand it’s not enough to say we empower our employees; it’s that we listen to their feedback, and truly care about the success of each person we employ...Employees are empowered to make decisions that improve their work and benefit our company. We invest in various programs to put our employees’ ideas into action. Open Door Days, Huddles, Focus Groups, a two-way Q&A blog with our senior vice president of operations are all examples of our commitment to listen to our people closest to the work and closest to the customer to help us continuously improve. We believe this makes our work more fun and more meaningful, whether a cashier, chef, accountant or baker.”

Career development. “We invest more than \$50 million each year to provide training and development opportunities for our people. Learning at Wegmans includes: department universities, online training, workshops, Dale Carnegie, on-the-job experiences, food rallies, cooking technique certifications, merchandising shows, traveling to supplier partners, and talent development programs like internships, management trainee and leadership development programs. Last year, 25% of our employees received a promotional or lateral learning assignment, which equates to 12,198 people taking on new opportunities via our internal job posting program.” Do the math and the company spends an average of \$10,000 per full-time employee a year on training and development.



Diversity. “We believe that diversity inspires new ways of thinking and innovation. The Wegmans family believes that the starting point for our diversity and inclusion efforts is our value of Respect. By listening to others’ perspectives and respecting each other’s talents, we all have an opportunity to learn. Danny Wegman, Chairman, regularly reminds us that when we take time to authentically discover what our people love to do, we can help each other succeed. We have rich diversity inherent in our business: of customers, food cultures, employee roles and professions, various families and lifestyles, nearly 50 different languages spoken, ages spanning from 15 to 96, with a myriad of personalities from all walks of life. We embrace our diversity as a key strength, and we practice inclusion as a key strategy to remain successful for the next 100 years.”

Job Design: “We provide cross-training, lateral learning opportunities, mentors and leadership development programs to support every level of your career.”

Work/life balance. “Flex scheduling and work/life balance are top reasons people come to work and stay at Wegmans. Store locations have more than 500 employees across 30 departments, allowing our 24/7 operation tremendous flexibility to accommodate changes for student schedules, caring for a sick family member, and personal activities or obligations. We are a family company who wants you to have a healthy work/life balance so you can be your best.”

Benefits. “At Wegmans, we believe that if we take care of our people, they’ll take care of our customers. That’s why we offer more than benefits. We offer you total rewards. This means that you’ll get more than health coverage and more than vacation days. As part of the Wegmans family, you’ll have a package that covers your health, your well-being, your family and your future.” Benefits include:

- » Health plans: A choice of a traditional PPO plan with low deductibles or a plan with a lower weekly cost.
- » Pre-tax spending accounts; dental coverage that covers cleanings, fillings, crowns and braces.
- » Paid vacation time along with six paid holidays a year for eligible employees.
- » Employee assistance programs to help find child care, elder care, legal consultations and financial planning.
- » Adoption assistance and dependent care savings accounts.
- » A commitment to helping people live healthier, better lives starts with our employees: screenings and coaching from our pharmacists and healthy eating tips from Wegmans Registered Dieticians.
- » Support for "get moving" activities, customized yoga programs, subsidized Weight Watchers at Work meetings, and employee fitness discounts help you be the healthiest version of yourself while inspiring others.
- » Pay: a commitment to making sure starting pay rates are equal to or greater than those of our competitors; premium pay above the base rate for hourly employees who work on a Sunday or a recognized holiday.
- » Regular, scheduled pay increases.
- » Development programs to build both careers and earning potential.
- » A 401(k) plan that matches 50% of the employee’s contribution, on up to the first 6% of pay that is saved.
- » Discounts on mobile phone service, computers, and tickets to movies and amusement parks, and a corporate perks discount program for a wide range of other products.

Community. “One of our most important values is making a difference in every community we serve. At Wegmans, we’re committed to improving the lives of our customers and employees in every way we can. Our focus is on areas in which we feel we can be the most effective. These include:

- » Providing food for the hungry
- » Promoting healthy eating and active lifestyles
- » Enriching the communities in which we have stores
- » Supporting programs focused on youth
- » Engaging in a company-wide United Way campaign
- » Making corporate contributions to support many diverse non-profit organizations in our communities.”

In 2018, Wegmans says it donated about 14.5 million pounds of food to local food banks and programs that feed the hungry.

Advice From Colleen Wegman

Colleen Wegman hasn't published a book, nor does she appear to seek publicity and is mostly focused on carrying out the mission of the organization. Over the years she has shared some personal reflections based on the company's strong family values. She told the [Rochester Democrat and Chronicle](#): "We all grew up in the company...You watch somebody doing something that they love and that inspires you and encourages you to want to be part of that, too. It gets in your blood and becomes part of who you are, the culture. We got to learn about the values of the company that way, and that became instilled in us as well."



Asked why the company pressed on with its investments after the Great Recession, she told the [Rochester Business Journal](#): "As a community stakeholder, you feel a responsibility to do more, not less. Our people are feeling it, our customers are feeling it, and so we need to step up, not step aside. We've had to learn how to do that—we've had to make changes as a business. We've had to give more help, not less."

Among other key principles she shared:

- » "Always help others. If you do that, you're on your way!"
- » "Follow your heart, and doing what you believe is right, every day. If you can, do what you love. It will always bring out the best in you. It sometimes takes some trial and error to get there; however, if you pursue being great at something you love, you have the best chance for happiness, and therefore success."
- » "The third principle is to listen, and to take action on what you learn....It's not important to have all the answers yourself. However, it is important to involve others to come up with the best answers, and it becomes more enjoyable for everyone along the way."
- » Do "what you believe is right. Even when it may not look so good short term, it usually pays off in the long run. With our mission of helping people live healthier, better lives, we felt uncomfortable selling cigarettes, as we did so profitably many years ago now. In the year 2008...we decided to eliminate them from our mix and put all our effort into smoking cessation programs for our people. The short-term impact to profit was significant; however, the long-term loyalty impact from both our people, and our customers, ended up being even more significant."
- » "As you face challenges in life, remember your own guiding principles. We believe if you lead with your heart, continue to do what you believe is right, every day, it will lead you to great places."

**Note: The Honorary CEO Citation for Quality People Management citation is not to be confused with an ISO 10018 Certification. The Citation is a recognition of CEOs who have demonstrated a strategic and systematic approach to engaging all stakeholders and does not verify that the organization would qualify for an actual ISO 10018 Quality People Management certification.*

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