

# A single language of success

## Perrigo

A Hay Group case study



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- Stacey Petrey, Senior Director of Global Compensation, HRIS and Payroll, Perrigo

Rapid global expansion led healthcare supplier Perrigo to seek a structure to underpin its acquisition-led growth. With help from Hay Group, Perrigo created a ‘common language’ for jobs, grades and competencies. This enables the company to integrate acquisitions smoothly and create the leadership strength to support future success.

US-headquartered Perrigo has experienced meteoric growth in recent years, buoyed by rising worldwide demand for the generic pharmaceutical products it makes and distributes. As it grew, the company realized it needed a globally consistent framework for jobs, grades and competencies to help integrate the diverse companies it was acquiring around the world. Working with Hay Group, Perrigo evaluated its top jobs worldwide to arrive at standard job descriptions and to create a clear global grade structure and career ladder. At the same time, Hay Group worked to identify the competencies each job needed. Now, Perrigo has a common vocabulary around jobs that streamlines the process of integrating newly acquired companies. And with a clear view of the competencies it needs, Perrigo can make sure it maintains a talent pipeline to support future growth.

### Fast-paced growth brings challenges

Headquartered in Allegan, Michigan, healthcare supplier Perrigo manufactures and distributes pharmaceutical, nutritional and consumer products. Rapid growth has seen the company’s stock price double since 2009 as Perrigo builds its position in fast-growing businesses such as manufacturing generic and store-brand pharmaceuticals. Today, the company has large operations in the US, UK, Israel, Mexico and has made acquisitions worldwide.

Growth at this pace brings challenges, though. Integrating new acquisitions can be complex and expensive. And fast growth means executives must be able to successfully lead a larger company. Realizing it needed a single, global framework for jobs and grades, and a picture of the competencies needed at various levels, Perrigo opted to work with Hay Group given the firm’s capabilities in these areas.

To create its global grade structure, Perrigo used Hay Group’s Guide Chart Profile Method in order to understand and map out its jobs. In a comprehensive work session that brought together HR leads from six countries, Perrigo learned the Hay Group evaluation process and evaluated a core set of benchmark jobs. With guidance from Hay Group consultants, the team then evaluated 400 jobs, taking input from the different locations to ensure a solid foundation. This also helped Perrigo establish a ceiling beneath which it could build a career ladder. To complement the job evaluation program, Hay Group also created competency models to create a common view of the skills and attributes needed for different jobs.

## A common language for jobs and grades

After a nine-month project, Perrigo has now implemented its new, global grade framework and salary ranges. As Stacey Petrey, Senior Director of Global Compensation, HRIS and Payroll explains, the core benefit for the company is that it now has a common language for jobs and grades: “With the Hay Group system, everyone knows both the nature and value of a specific job. The biggest win for us is that whether they are in the Middle East, Mexico or the Midwest, everyone now speaks the same vocabulary around jobs, even if English isn’t their first language. This means we’re able to integrate acquisitions much more quickly and economically.” And with a globally defensible system for evaluating jobs, HR no longer has to spend time resolving queries and issues.

Hay Group has also provided additional tools to help the company manage its employment costs, something that’s highly valued in an industry with a sharp eye on the bottom line. With advanced Excel modelling, HR can work with executives to see, for example, how changes in incentive targets will affect employment costs.

## Identifying talent for the future

Perrigo has a common language around competencies too, having worked with Hay Group to map out the behaviors that drive success for every key job. The competency mapping has created strong integration between Perrigo’s compensation, talent acquisition and organizational design, which is crucial in tying concepts together across different global HR sub-groups. This clarity helps it to develop leadership strength as the company grows. And it reduces risk: with a clear view of the leaders it needs, Perrigo knows how to develop or hire people to maintain the pipeline of talent that will help it sustain its success.

## About Hay Group

Hay Group is a global management consulting firm that works with leaders to transform strategy into reality. We develop talent, organize people to be more effective and motivate them to perform at their best. Our focus is on making change happen and helping people and organizations realize their potential. **Visit [www.haygroup.com](http://www.haygroup.com).**