

Employee engagement - PepsiCo

Source: gnews-employee-engagement-broad | **Published:** August 13, 2025 | **PMS Relevance:** PMS RELATED | **Type:** Case Study | **Geography:** Global

Source URL: <https://news.google.com/rss/articles/CBMiZEFVX3lxTE9RU29CUDROc29vS1p1TUtuMkRxdEI>

Executive Summary

This article is a corporate sustainability/ESG disclosure from PepsiCo describing the company's employee engagement strategy and reported outcomes for 2024. The central argument is that structured engagement mechanisms — behavioral frameworks, multi-channel feedback tools, recognition programs, and community volunteering — contribute to a positively engaged workforce and support talent retention. Key evidence presented includes a 2024 Organizational Health Survey participation rate of 84%, an OHS composite score of 78%, an employee engagement sub-score of 80%, and an employee commitment score of 76%, with claims of favorable comparison against Fortune 500 peers. Supporting metrics include over 1.1 million peer recognitions via the Smiles platform and more than 169,000 volunteer hours logged through One Smile at a Time. The article draws the conclusion that PepsiCo employees demonstrate high levels of pride, energy, and confidence in the company's future. No causal claims between specific interventions and engagement outcomes are substantiated through independent analysis, and all data originates from internally administered instruments.

Key Insights

1. PepsiCo deploys a four-channel employee feedback architecture — an annual census survey (OHS), a triannual pulse survey (ECI), lifecycle surveys, and an upward feedback mechanism (MPW) — to continuously monitor engagement across employee segments.
2. The PepsiCo Way, a set of seven defined employee behaviors, serves as the connective tissue across performance management, annual surveys, and peer recognition, embedding cultural expectations into operational processes.
3. In 2024, PepsiCo reported an employee engagement score of 80% and an employee commitment score of 76% from an internal survey with 84% workforce participation, with external benchmarking cited but not independently verified.

Practical Takeaways

- PepsiCo's model illustrates the integration of behavioral frameworks directly into both performance objectives and engagement measurement instruments, creating alignment between cultural expectations and measurement criteria.
- The multi-layered feedback architecture — combining census, pulse, lifecycle, and upward feedback surveys — reflects an organizational design that captures engagement signals at different frequencies and career touchpoints.

Frameworks Mentioned

Managing The PepsiCo Way (MPW) — An annual upward feedback process in which managers receive structured input from direct reports regarding their managerial strengths and their demonstration of The PepsiCo Way behaviors.

Critical Analysis

Strengths: The article provides concrete, quantified metrics (participation rates, engagement scores, recognition volumes, volunteer hours) and describes a coherent, multi-instrument measurement approach. The disclosure is relatively transparent about the specific tools used and their design logic. **Limitations:** All data is self-reported and internally generated, with no independent audit trail or third-party verification described. The claim of favorable benchmarking against Fortune 500 peers is asserted without citing the specific benchmark source, methodology, or comparison cohort. Causality between specific programs and engagement outcomes is implied but not established — the article does not distinguish correlation from program effect. The single academic reference cited (Sun & Bunchapattanasakda, 2019) is used selectively to support the value of engagement generally, not to validate PepsiCo's specific methodology. **Biases:** As a corporate ESG disclosure, the article is structurally oriented toward presenting favorable outcomes; negative findings, participation gaps, or year-over-year declines are not disclosed. The framing consistently positions PepsiCo's approach as effective without presenting contradictory evidence.

Organizational Practice

PepsiCo administers an annual Organizational Health Survey (OHS) to all employees, a triannual Employee Confidence Index (ECI) pulse survey, lifecycle surveys at key employee journey milestones, and an annual upward feedback process (Managing The PepsiCo Way). Results are aggregated and shared with team leaders who have five or more direct reports to protect anonymity. Senior leadership reviews OHS and ECI results annually and initiates action planning based on identified issues. A peer recognition platform (Smiles) enables employees to acknowledge colleagues for demonstrating defined cultural behaviors. An employee-driven innovation platform (Next Big Idea) allows global collaboration on business improvement ideas, with top teams presenting to senior leadership. A corporate volunteering platform (One Smile at a Time) tracks volunteer hours contributed by employees in their local communities.

Strategic Implications

The article reflects a trend toward embedding behavioral and cultural frameworks directly into performance management instruments, creating measurable proxies for cultural alignment. The use of multiple survey types at different frequencies — annual, triannual, and event-triggered — indicates movement toward continuous listening architectures rather than point-in-time measurement. The integration of peer recognition data alongside survey scores suggests organizations are expanding the definition of engagement evidence beyond self-reported survey responses. The disclosure format itself reflects growing stakeholder expectations for quantified ESG-linked people metrics, which may accelerate standardization pressures on how engagement is measured and reported across large enterprises.

