with Jim Grossett of Agrium, Inc.

Jim Grossett is senior vice president and chief Human Resources officer at Agrium Inc., a diversified global agricultural products and technology supplier, where he has overall responsibility for Agrium’s global HR function covering 17,000 employees across 14 countries. He has over 25 years of HR experience, having held senior positions with Pillsbury, Molson and Coca-Cola Canada.

WSR: Jim, thank you for speaking with the IHRIM Workforce Solutions Review. Please tell us a little about yourself and about Agrium?

Grossett: Thanks, Karen. I’ve spent my entire career in HR, having headed up HR for five companies, Pillsbury, International Multi-Foods, Coca-Cola Canada, Molson, and now Agrium for the past 10 years. In all of those companies, I have replaced a head of HR who was retiring, and the company was looking for a major culture change. So I when came to Agrium, I had been down this road before.

Agrium was founded 80 years ago and went public in 1993. The company had always kept a low profile, purposely flying under the radar. It was a relatively small North American nitrogen commodity company. The people side was broken. Human Resources was not even in the basement, but in the subfloor below the basement. It was not appreciated or respected. Poor performers were tolerated. High-potentials were not recognized. There was a sense of complacency throughout the organization. Human Resources just did what it was told to do.

When I joined in 2002, we had a market cap of US$2B, with 4,000 employees, three countries (Canada, U.S., and Argentina), annual revenues of US$3B, and our stock price was US$9 per share. Mike Wilson, the CEO, joined 18 months before I did and immediately put his focus on two things: getting the financial side in order and hiring someone with vision to get the people side in order. Today, we have a market cap of US$15B, 17,000 employees in 14 countries, annual revenues of US$16B, and our stock price is US$90 per share. I call that the “Grossett factor!”

Agrium has become a great brand and the people side is considered one of our keys to success. Human Resources has a very high level of respect and has become a driving force and integral part of the business. Agrium has been named one of the 10 most admired companies in Canada and one of the 10 best companies to work for.

WSR: Wow, congratulations on such phenomenal achievement! So, how do you affect such massive change in an established organization? What are the steps you go through to change the status quo?

Grossett: First off, you have to stand up for what you believe in. If you can’t, then you basically don’t believe in anything. I had to stand up for what I believed in, but I also had to get others to stand up for what they believed in, and no one was used to doing that.

Let me tell you a story. Four months after I started, it was time for annual salary increases across the company. The previous year the average increase was 3%, but the lowest performer got 2.5% and the highest got 3.5%. Agrium had a 10-point performance rating scale and each of those points had 10 points, so in effect it was a 100-point scale. Ninety percent of the company was rated 6.5 – 7.0 out of 10.

I made it very clear that this was not the way to build a high-performing workforce. So, I introduced a forced ranking scale, which was extremely controversial, and I got a lot of heat for it. But, this is an example of what I mean by standing up for what you believe in. There were moments in the beginning when I needed to really stand up for what I thought was right, in front of the leadership team, and get every executive out of the habit of tweaking every HR program.

A very important aspect of affecting change is that you have to identify and focus on the stakeholders. I identified five key stakeholder groups for Agrium: the HR team, the executive team, all other business leaders, the employees, and the board of directors. You have to get buy-in from each group and every group needs a different approach.

For the HR team, I had to make a lot of changes. You’re never going to get to the Super Bowl with a lot of B-team players. But you also don’t need a team of all superstars. You need some game-changers on your team, folks like Payton Manning (NFL superstar), who is clearly a game-changer. They help elevate everyone else’s game.

For the executive team, I had to instill their trust and confidence and convince them that they had to let go and let me do what I needed to do. For the leaders across the organization, I had to slowly get buy-in from them. Once our strategy was put together, I went on a roadshow across the organization, explaining to them the new direction that HR was taking and the culture change they were going to see.

For the employees, it was similar. I used to stand in front of groups of employees on the plant floor and ask them: At the end of the day ask yourself, what did I do today to help make Agrium one of the best places to work for? I would tell them, when you see something that
doesn’t make sense, challenge it, question it.

It’s a multi-faceted process. In the past, when things went well, they didn’t celebrate victories. But, if someone screwed up, they got shot. People needed to learn that it was OK to screw up.

For the board of directors, I put a long-term strategic plan in place and got their agreement on it. I developed programs that were consistent within the strategy and gave them updates on it, basically showing them that I was doing what I said I would do.

WSR: Quite impressive! Can you tell us about some of the challenges you faced in driving this turnaround?

Grossett: I remember one particular story from when I first started. I was sitting with the folks in the board room, and they were walking me through a brochure that explained the incentive compensation plan — and they couldn’t explain it! I couldn’t understand it. The problem is that the executive leaders were too used to dabbling in HR issues. The culture at Agrium had been one where everyone would provide their input into things such as the incentive plan, and as a result, it would be so complex that no reasonable person could understand it.

One of the biggest challenges I faced was just convincing people that Agrium could be a top employer. I needed to strengthen the HR team and change the organization’s perception of HR. Most importantly, I needed to get HR to change its own perception of its role in the organization. Following that, it was important to get leaders across the organization to buy in to all the changes.

WSR: What are some specific strategies and tactics you use to overcome barriers and roadblocks?

Grossett: It really goes back to standing up for what you believe in. That’s why I waited seven months before I hired two top HR people.

When I first came to Agrium, HR was perceived as not delivering on its commitments. I have driven that home. It took time. Every quarter, I would meet with the leadership team and tell them what HR was going to do, and then report back to them on everything we did. That’s how you deal with resistance. Say what you’re going to do and then do what you say. Human Resources people are famous for wilting under the heat. I showed them that the new “HR Agrium” wasn’t going to be like that.

It’s all about the process. You’ve got to know what you’re doing. You’ve got to put a plan in place. You’ve got to believe in it. And, you’ve got to stand behind it. Then, you need to get those five stakeholder groups in line and committed to the plan.

I often talk to my team about my “10 HR Rules” for success:

1. You can’t succeed if you don’t love what you do.
2. Do what you say you’re going to do.
3. You must work with others and be loyal to your team.

Disloyalty is the worst of all traits.

4. Believe in yourself and have confidence.
5. Support your team.
6. Strive to be the best in everything you do.
7. Don’t be afraid to fail...take calculated risks.
8. Show passion in what you do...it makes the ordinary extraordinary.
9. Stand up for your beliefs.
10. Have fun!

I also talk a lot about what I see as our keys to success:

- Integrate HR with business strategy.
- Develop strong HR leadership, alignment and change management.
- Build disciplined and integrated HR processes, but keep it simple, because too much data and complexity reduces focus; and then remove silos and barriers.
- Don’t accept mediocrity...build a strong team.
- Connect the dots.
- Be passionate.
- Be bold.

WSR: So what are your plans for the next 10 years at Agrium?

Grossett: I have no idea what size Agrium will be, but doubling for us is now very realistic. Becoming an employer of choice on a global basis is the next rung on the ladder. We need to become an organization that is culturally fluent, with a pool of talent that is diversified and reflective of the world where we operate.

What has happened in the last 10 years has paved the way for us for the next 10 years. We had a study done by The Hackett Group about seven years ago. From an effectiveness point of view, we were in the top quartile, but from an efficiency perspective, we were at the bottom. We know that we need to maintain the top quartile in effectiveness — and of course the bar keeps getting higher. But, we need to at least get to the middle quartile on efficiency. And, the way we’re going do that is through HR technology. We are currently looking at systems to integrate with our corporate SAP system that will provide the tools to better support HR in managing our global workforce.

When I retire, I’m going to write a book. I don’t know what the content will be, but I know the title: “Take your seat at the table.” I hate it when HR people complain about not having a seat at the table. You’ve got to believe in yourself and just take your own seat.

WSR: Thank you, Jim, for sharing your insights with us. It’s a phenomenal story; best of luck to you and Agrium in reaching your goals.

Interview conducted by Karen Beaman, WSR academic editor and CEO of Jeitosa Group International. She can be reached karen.beaman@jeitosa.com.