Sonoco Named One of Top Companies for Leaders

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HARTSVILLE, S.C., May 3 /PRNewswire-FirstCall/ -- Sonoco (NYSE: SON) has been named to the 2005 list of the Top 20 U.S. Companies for Leaders sponsored by global human resources services firm Hewitt Associates and The Human Resource Planning Society (HRPS), a global network of senior human resource professionals, according to Harris E. DeLoach, Jr., chairman, president and chief executive officer of Sonoco.

(Logo: http://www.newscom.com/cgi-bin/prnh/19991006/SNCLOGO)

The Top 20 Companies for Leaders, selected by an independent panel of judges, included: (1) 3M Company, (2) General Electric Company, (3) Johnson & Johnson, (4) Dell Inc., (5) Liz Claiborne, Inc., (6) IBM, (7) The Procter & Gamble Company, (8) General Mills, Inc., (9) Medtronic, Inc., (10) American Express Company, (11) Capital One Financial Corporation, (12) Whirlpool Corporation, (13) Colgate-Palmolive Company, (14) Pitney Bowes Inc., (15) Pfizer Inc., (16) FedEx Corporation, (17) Washington Group International, Inc., (18) The Home Depot, Inc., (19) Avery Dennison Corporation and (20) Sonoco Products Company.

Sonoco, founded in 1899, is a $3.2 billion global manufacturer of industrial and consumer products and provider of packaging services, with more than 300 operations in 35 countries, serving customers in some 85 nations.

In conducting the study comparing the Top 20 companies with more than 350 other U.S. companies, Hewitt found one element that set these 20 companies apart from the rest -- "more vigor around developing their future leaders."

"Sonoco is extremely pleased to be named with such a distinguished group of U.S. companies representing a cross section of corporate America," said Harris E. DeLoach, Jr.

"An integral part of Sonoco's culture over its 106-year history is the belief that people build businesses. We strongly believe that leadership development and having strong leadership depth are key elements in sustaining our historical success," DeLoach added.

Specifically, the study found that all of the Top 20 Companies focus on developing leaders and have CEOs who are actively involved in this process. Conversely, less than 60 percent of other companies focus on developing leaders, and only 65 percent of their CEOs are involved in the process. Even more revealing, 85 percent of the Top 20 Companies hold their leaders accountable for developing their direct reports, compared to less than half (46 percent) of other companies.

"As baby boomers get ready to retire, the Top 20 Companies are ahead of the curve," said Marc Effron, global practice leader, Leadership Consulting at Hewitt Associates. "They realize their future success relies heavily on how well they are currently developing the next generation of leaders. More to the point, they understand that programs such as executive education, assignment- based development and mentoring are all good, but the only way they truly work is if senior leadership is involved in and accountable for the success of these initiatives."

Moreover, Top 20 Companies put a greater percentage of their senior executives' annual incentive pay at risk to motivate them to develop future leaders. In fact, 53 percent of the Top 20 Companies earmark between 6 percent and 15 percent of incentive pay toward leadership development, and 30 percent allocate 16 percent or higher. Conversely, 34 percent of all other companies dedicate between 6 percent and 15 percent, while just 17 percent set aside 16 percent or more in incentive pay.

"Unlike most organizations, the Top 20 Companies have 'teeth' in their initiatives," said Effron. "Their senior executives understand their roles in developing leaders, and more important, know there will be financial consequences if they don't take this responsibility seriously."

This study also shows that quality leadership development programs gain results, with 95 percent of Top 20 Companies saying their initiatives attract quality leaders to their organizations, compared to 59 percent of the other organizations.

"The Top 20 Companies for Leaders represent a cross section of industries and employee size," said Walt Cleaver, president and CEO of The Human Resource Planning Society. "The lesson learned is that no matter what your company size or business, an organization that offers quality leadership development programs will attract stronger leaders and will increase their chances for success in the long run."

Additional Highlights

- Nearly all (95 percent) of the Top 20 Companies have a CEO succession plan, compared to less than 60 percent of other companies. Meanwhile, 85 percent of Top 20 Companies have an emergency succession plan versus 59 percent of the rest.
- Eighty-five percent of Top 20 Companies hired their current CEO from the inside versus 68 percent of the rest.
- The majority (85 percent) of the Top 20 Companies believe they are effective at utilizing compensation to reward high-potential employees, compared to 38 percent of other companies.
- Three-fourths of Top 20 Companies link their leaders' pay to potential

to advance versus 38 percent of other organizations.
- Nearly all (95 percent) of the Top 20 Companies say that diversity is a formal part of their leadership development strategy versus 59 percent of the rest.

The "Top Companies for Leaders Study" is based on 373 U.S. organizations with average revenue of approximately $8.3 billion and an average employee size of nearly 30,000.

Hewitt utilized a three-step screening process to identify the finalist companies. This included reviewing survey responses, conducting in-depth interviews and analyzing financial performance in relation to industry. This information was then provided to the panel of judges who determined the Top 20 Companies for Leaders.

About Hewitt Associates

With more than 60 years of experience, Hewitt Associates (NYSE: HEW) is the world's foremost provider of human resources outsourcing and consulting services. The firm consults with more than 2,300 companies and administers human resources, health care, payroll and retirement programs on behalf of more than 300 companies to millions of employees and retirees worldwide. Located in 35 countries, Hewitt employs approximately 19,000 associates. For more information, please visit http://www.hewitt.com .

About The Human Resource Planning Society (HRPS)

For over 25 years, HRPS (http://www.hrps.org) has brought together senior HR professionals, creating the premier global network of individuals who function as business partners in the application of strategic human resource management practices.

HRPS' membership includes the most experienced, most connected senior corporate HR professionals, academics and consultants from the world's leading organizations.

HRPS also serves as a global forum for presenting the latest thinking and information on the HR implications of key business issues and strategic HR practices. Through its journal, professional development programs, events and networking opportunities, HRPS offers a broad range of strategic knowledge and content, which is enhanced through collaborative relationships with knowledge and research partners such as the University of Southern California's Center for Effective Organizations (CEO), the Center for Creative Leadership (CCL) and the University of Tampa's Human Resource Institute (HRI).

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