



## IKEA: Furnishing Good Employee Benefits Along with Dining Room Sets

Published : April 07, 2004 in [Knowledge@Wharton](#)

As a rising IKEA executive in the late 1990s, Pernille Spiers-Lopez was charging from one task to another when a sudden chest pain signaled a possible heart attack. Lying in the ambulance, she thought to herself, “Oh, so *this* is success,” she recalled recently.



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As it turned out, it wasn't a heart attack but a sign of stress – a signal she needed to balance life and work the way she had been telling employees to do. “My husband for many years said, ‘Yeah, you talk a lot about life balance, but when you're here, you're not here,’” she said during a presentation at the Wharton Leadership Lecture series March 18.

Today, as president of IKEA North America, she avoids business travel on weekends, and tries to keep regular hours at work and leave the job at the office. “The number one priority is my family,” said Spiers-Lopez, who has two children. “It's so important for me to keep that in the forefront of everything I do.”

That, too, is the priority she expects of her employees. Many executives talk about the benefits of worker-friendly policies, but Spiers-Lopez has clearly put them into practice at IKEA North America's stores – 18 in the U.S. and 11 in Canada.

Last fall *Working Mother* magazine named IKEA North America one of the 100 best companies for working mothers and singled out Spiers-Lopez for its Family Champion Award. Under the Danish-born executive, the home-furnishings company provides benefits not widely offered retail workers in the U.S: full medical and dental insurance for those who work as little as 20 hours a week, including coverage for domestic partners and children; paid maternity leave; tuition assistance; a 401(k) matching plan and flexible work schedules.

Spiers-Lopez was named president in 2001, when sales staff turnover was 76%. The next year these and other policies helped the company slash turnover to 56%, the company says.

IKEA, privately held since its founding in 1943, is based in Sweden and has 76,000 employees in its nearly 200 stores in 31 countries, with global sales topping \$12 billion last year. It specializes in fashionable furniture and home accessories at low prices. IKEA North America, headquartered in Plymouth Meeting, Pa., employs about 7,000 in the U.S. stores and plans to open 50 new stores over the next decade. Spiers-Lopez's “task has really been, from the beginning, to expand the IKEA brand in the U.S. market.”

Speaking at Wharton, Spiers-Lopez suggested that effective leadership starts with self-examination. “Leadership is about me. It’s about what I stand for and my values.” It’s important, she added, to find an employer that shares one views, so that “my values do not conflict with what I am trying to do.”

Initiatives such as furnishing employee health care – at a time when many companies are cutting such benefits back – are not an easy sell within a for-profit company, she noted. “It is about being in front of everybody and taking steps that others can’t always see,” she said, adding that good leaders must at the same time recognize they do not have all the answers. “We have to live in complexity and ambiguity, and I have to be comfortable with that. I think leadership today is really about enjoying change.”

Spiers-Lopez studied journalism in college but concluded upon graduation that she was not cut out for a career in the media. So she moved to Florida and went into retailing. Prior to joining IKEA in 1990, she managed 24 Door Store furniture stores. At IKEA, she started as a sales manager for the West Coast stores and then managed the IKEA store in Pittsburgh. She spent four years as manager of human resources for IKEA North America before being named president.

IKEA has long been known for its support of environmental issues and children’s causes as well as efforts to nurture employees. As a leader, Spiers-Lopez said, she needs to display passion for the company’s goals and a commitment to the people with whom she works. When she hires a “co-worker,” as IKEA terms employees, her plan is to help the person through his or her slumps. One of her greatest rewards is to see a worker she has worked with excel, and she believes all supervisors and managers should serve as mentors.

“It’s easy to be committed to the co-worker who’s doing great,” she said. “The [real] commitment is when she’s struggling. When I hire you, I am there until you don’t want to do it anymore.” A key part of her job is to convince her managers to find ways to match their stores’ needs with those of employees, using flexible work schedules, job sharing, compressed work weeks and other techniques.

IKEA North America routinely surveys employees to gauge morale and spot issues that need to be addressed, according to Spiers-Lopez. The company has a strong commitment to diversity and tries to attract employees who reflect the communities in which stores are located. Surveys of employees can thus be used for insight into the local market, she said.

Good leaders trust the people around them, she notes. “When I am trusted, I truly deliver beyond my own expectations.” Trust has to go both ways, and cannot be cultivated by managers who seem to be putting on an act. “I am authentic, and I am open. And I am not trying to be someone else.”

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