

Identifying New Approaches for Performance Management

Engagement Profile: Performance Management



Background

Cargill is an international producer and marketer of food, agricultural, financial, and industrial products and services. It is a global company with 140,000 employees in 65 countries, about 80% of whom operate in production environments.

Challenge

Like many organizations, Cargill sought to improve its performance management system to decrease time required to complete administrative aspects of the process and increase its value to employees and managers. Cargill partnered with PDRI, a CEB Company, to study the current state of performance management practices and to outline a vision for the future.

Solution

We collected data from multiple sources, including policies and procedures about Cargill's performance management process, performance ratings data, engagement survey results, results from other recent performance management studies at Cargill, and interviews with managers and human resources professionals. Key findings included the following:

- Significant time required by managers to complete annual performance appraisals
- Perceived lack of relevance of the performance management process to daily work
- Manager reluctance to give candid feedback to employees
- Performance management viewed as an administrative process and not as a means of improving individual and organizational performance

These findings were consistent with the experiences of many other organizations, who find that performance management effectiveness depends most on the quality of relationships between managers and employees. When an employee has a relationship with his or her manager that is based on trust and open communication, then the employee is more likely to get what he or she needs in terms of clear expectations and useful, timely feedback.

Contact Us to Learn More

Phone: +1-703-276-4680

E-Mail: info@pdri.com

Web: pdri.com



Identifying New Approaches for Performance Management

Engagement Profile: Performance Management (Continued)

Based on these findings, we prepared a briefing and report summarizing the current state of performance management at Cargill, a discussion of these findings in the context of broader performance management research and experience, and recommendations for the future. Recommendations focused on the following three principles for effective performance management:

- Focus on everyday performance management practices, such as ongoing, high-quality discussions between employees and managers.
- Strengthen performance management-related capabilities of managers and employees.
- Simplify performance management process and forms.

Results

Based on the recommendations from our review, Cargill redesigned its performance management process and launched “Everyday Performance Management,” a simplified performance management process that focuses on ongoing employee-manager discussions and reduces administrative requirements, including eliminating formal performance appraisal ratings. The new approach also emphasizes developing managers who are able to candidly provide ongoing feedback and developmental assistance to employees. Initial results from this effort have been promising. Employees and managers indicate greater satisfaction with the performance management process, and team and organizational performance has remained high.

Contact Us to Learn More

Phone: +1-703-276-4680

E-Mail: info@pdri.com

Web: pdri.com

pdri
a CEB Company

pdri.com