2008 RPI BEST PRACTICE OVERALL RECIPIENT
CARGILL, INC.
About Recognition Professionals International®

Recognition Professionals International (RPI), formerly known as NAER, is the only non-profit professional association at the forefront of employee recognition through its sole focus on recognition innovations and education as a systematic method for workplace improvements. RPI fosters excellence in the recognition industry by ensuring that members are always at the forefront of developments and practices in workforce recognition as an influential contributor to the company's bottom line. Recognition Professionals International is an approved IACET authorized provider of continuing education and training. RPI is endorsed by top authorities in the industry, and is the only association offering Certified Recognition Professional® (CRP) designation.

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RPI Best Practice Standards Program Overview

RPI Best Practice Awards are designed to recognize an organization’s outstanding recognition programs and further the knowledge base for RPI members through the development of case studies. Each year, Recognition Professionals International (RPI) selects organizations whose recognition programs excel in one or more of the seven RPI Best Practice Standards of recognition program excellence.

One Best Overall Recognition Program award is given to an organization to acknowledge their recognition programs that are outstanding on an overall basis. Seven RPI Best in Class awards are given to organizations to recognize programs that are outstanding in one specific Standard area.

RPI Best Practice Standards:
Standard 1. Recognition Strategy
Standard 2. Management Responsibility
Standard 3. Recognition Program Measurement
Standard 4. Communication Plan
Standard 5. Recognition Training
Standard 6. Recognition Events and Celebrations
Standard 7. Program Change and Flexibility

These Standards provide guidance for the creation and maintenance of a recognition system, and for independent evaluation of any system for best practice rating and/or benchmarking. The Standards have been designed to be useful for the creation and evaluation of recognition programs in the public and private sectors, large and small organizations, and organizations with single or multiple locations or functions.

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Because of its outstanding well-rounded recognition program, Cargill, Inc. was named the Recognition Professionals International 2008 Overall Best Practice Award recipient. Cargill’s program is a significant accomplishment considering the company has 158,000 employees and a stellar retention record.

In 2007, Cargill was a winner in three RPI Best Practice categories. Cargill officials report that, because of this recognition, their program is being viewed as a benchmark by other companies who have asked for Cargill’s help with their own programs.

Overall, Cargill has had several years of outstanding business results. In 2003, its annual revenue was $54 billion. The fiscal year that ended in June 2007 showed annual revenue of $88 billion.

While officials cannot directly attribute the financial success to recognition, senior leaders do believe increasing employee engagement positively affected financial results.

Bill Buckner, chief recognition officer, and senior executive vice-president, set forth the following case for recognition in a presentation:

- Recognition is a response from a person that makes recipients feel good about who they are, what they are doing, have done, or will do.
- Recognition is important because it has a high impact on employee engagement and is within everyone’s control.
- Cargill’s recognition goal is to build a culture in which employees feel motivated to work hard because they are appropriately recognized for hard work.
- Raising satisfaction with recognition impacts engagement; and engagement relates to improved business results.

“We measure our effectiveness through employee engagement surveys,” Buckner said. “The more engaged employees are the more productive they are. Where we see high engagement, we see high business performance. We are on our sixth year of record performance and we believe it all ties together.”

Cargill is an international provider of food, agricultural and risk management products and services in 66 countries across four continents. The company uses its knowledge and experience to collaborate with customers toward their success and extends this commitment to its recognition program.

Cargill produces and distributes crop nutrients and feed ingredients to farmers, beef, dairy, pork, and poultry feeders, and meat and dairy producers. It originates and processes grain, oilseeds and other agricultural commodities for distribution to makers of food, feed and other products.

Cargill collaborates with food manufacturers, food service providers, distributors, and retailers with a focus on customer and consumer benefits. The company offers insight into food and beverage ingredients, meat and poultry products, and food applications that help customers succeed.

Cargill also produces and distributes science-based, health-promoting ingredients for pharmaceutical and dietary supplement companies; and produces and distributes sustainable oil, salt and starch products and services. In addition, it develops industrial applications for agricultural products, and provides steel products and services. Cargill trades in global financial and commodity markets; and is a proprietary investor, alternative asset manager, and provider of risk management products and services.
Cargill began its formal recognition program with Safety, Environment & Health awards over 25 years ago. The Cargill Quality award, which evolved into the Chairman's Business Excellence Award, was instituted soon after. In 2002, in an effort to align with the key areas identified in Cargill's 2010 company strategy, three new awards were developed for: Innovation, Customer Focus, and High Performance. In 2006, a Chairman's Leadership Award was added to emphasize the corporate vision of basing business results on a foundation of leadership.

**Recognition Strategy**

Cargill’s recognition strategy statement is, *Enhance high performance by growing our global culture of recognition*. Its official definition of recognition is, *Acknowledging people in a way that is both meaningful and motivational*.

Cargill’s vision statement includes the following four declarations:

- Our **purpose** is to be the global leader in nourishing people
- Our **mission** is to create distinctive value
- Our **approach** is trustworthy, creative, and enterprising,
- Our **performance measures** are engaged employees, satisfied customers, enriched communities and profitable growth.

The company has begun to focus on recognition as one of the key factors that will enhance the culture of innovation it needs to grow.

Cargill uses a four-tier pyramid design to illustrate the levels of recognition. At the base of the pyramid is **common courtesy and respect**, followed by **day-to-day recognition**, **informal recognition**, and **formal recognition** – with the greatest percentage of time and attention focused on the bottom two tiers.

Cargill’s 2007-2008 recognition goals are as follows:

- To examine and shift core assumptions, beliefs, and practices regarding recognition in order to create a positive culture change throughout Cargill, where best practices in recognition are modeled at every level.
- To reinforce the core message of recognition (including Cargill’s definition, the strategic business case, and the recognition pyramid) and effectively utilize a variety of communication methods to help create the desired behavior and culture change throughout Cargill.
- To drive recognition practices and successes throughout the organization and make recognition readily accessible and easy to implement for leaders, managers, and employees by providing ideas, best practices, training, tools, and resources.

By tying into Cargill’s culture and the recognition pyramid, the goals support the recognition strategy of enhancing high performance through nurturing a culture of recognition.

While Cargill sets the overall direction and strategic focus, each individual business or function is responsible for organizing its own recognition strategy that meshes with its business goals.

Recognition is a key factor in Cargill's employee engagement program. The company is committed to growing its culture of recognition by building awareness, modeling behavior, and making recognition an intuitive part of the working environment.
Cargill’s traditional 3-Pillars of Success icon is a visual reminder for employees that the company emphasizes:

- High performance
- Customer focus
- Innovation

Two ribbons interweave between the pillars to highlight recognition and collaboration. Cargill has also developed a leadership model that it uses as the foundation for selection and employee performance reviews in which recognition is a component.

**Day-to-Day and Informal Recognition**

Each business and functional area plans its own day-to-day recognition programs. Activities range from thank-you notes to meal vouchers to time off work. Most corporate functions have award programs for example, HR has the Excellence Award, IT has the Circle of Pride Award, Technology has the Achievers Circle Award, and Finance has the Corporate Finance Officer Award. Individual businesses (of which there are 70) have awards that are specific to their operations. Cargill Animal Nutrition has the CAN President’s Forum and Salt has the Diamond Crystal Award.

Business units build on the work of other business units. The President’s Award started in the Cargill Kitchen business; then Cargill Animal Nutrition and Cargill Value Added Meats also adopted the award.

The informal awards are usually given out in the years when the formal corporate awards are not given out, which happen every two years.

**Formal Recognition**

Formal recognition, which includes a nomination and selection process, is designed to be highly visible, reinforce key corporate messages, and acknowledge noteworthy achievements and results.

Each nominated team or individual receives notification in the form of a note from the Chief Recognition Officer. Leadership nominees receive a letter from the CEO. Finalists are notified and invited to attend the Awards Ceremony where winners are announced and awards are presented.

The biennial formal awards ceremony is where the most prestigious corporate awards are announced. All finalists are invited to attend. The event, which is a major production that involves significant cost, is designed to recognize the company's highest achievers in a very public way.

The Awards Ceremony recognition includes The Chairman’s Awards for:

- Business Excellence,
- Innovation,
- High Performance,
- Customer Focus,
- Leadership,
- Safety,
- Environment and Health, and
- Best Plant
Information about the awards is on a dedicated company Web site page that describes the awards, the criteria, and how to nominate. In preparation for the October 2008 Awards, the 2008 Awards Web site went online January 2008. The CEO announces corporate awards.

In the past, the Recognition Conference has also served as a sounding board - the Global Recognition Steering Team solicits feedback from each of the participants. The feedback is used to improve the overall recognition programs and prepare for new messages. After each conference, senior leaders and conference planning team members also provide feedback.

A new award has been developed with the Corporate Procurement Team to recognize suppliers. Plans are also in the works to determine how best to recognize customers.

Management Responsibility

“The commitment of our senior leadership is demonstrated in the fact that we have a corporate recognition officer and senior management participates in our recognition workshops,” Buckner said. “I believe this is one of the keys to our program’s success.”

Cargill named a Chief Recognition Officer (CRO) in 2002 who is also one of the eight senior executives of the company. The CRO presents the recognition strategy to the Corporate Center for final approval. In addition, a Global Recognition Steering Team provides guidance for the overall recognition strategy and execution.

Recognition is included as part of the performance management system and everyone is evaluated against the same standard. In fact, one of the Performance Management Review items specifically relates to recognition – Values and recognizes others and their contributions.

Cargill uses a Business Excellence approach - based on Malcolm Baldrige criteria- throughout the company1. Each business unit is evaluated against these criteria every 12 – 24 months. Evaluations include an assessment of recognition criteria.

Global Recognition Team

The Chief Recognition Officer who is also a senior executive vice-president and a Cargill Leadership Team member leads the Global Recognition Steering Team. The steering team represents leaders who have a passion for recognition and who are, in many cases, the champions or leaders of recognition in their own functions, platforms, or businesses. In addition, business, location, or department leaders champion and lead the hundreds of local recognition teams that exist throughout Cargill.

The CRO regularly presents to and updates the Corporate Center. In April 2007, he presented the Recognition Strategy and Values to the Corporate Center meeting. In his presentation, he included the aspirations for the recognition program; the results of the engagement survey to demonstrate progress; and tips on what each of the Corporate Center members could do personally. He ended the session by having each person complete a thank-you note and then encouraged him or her to continue the practice – which he does regularly.

1 The Malcolm Baldrige Criteria for Performance Excellence (referred to as the Business/Nonprofit Criteria) is used by businesses and nonprofit organizations. For more information visit http://www.quality.nist.gov/Business_Criteria.htm.
Corporate Center and Leadership Team

The Corporate Center – made up of Cargill’s top 30 leaders – defined 17 focus areas for what they want to actively support and measure. Employee engagement is one of those focus areas and recognition is a component of that.

Corporate Center executives ask their individual business leaders to develop recognition programs that are meaningful and culturally and demographically appropriate for their employees. In addition, top executives have taught recognition courses and conducted workshops at Recognition Conferences.

Each of the Chairman’s Awards has a sponsor from the CLT (Cargill Leadership Team made up of the top eight leaders) and a champion from the Corporate Center. These people are responsible for reviewing the criteria for the awards and reviewing the applications for the awards. Members from the Global Recognition Steering Team work with the CLT sponsors and champions during the process.

Recognition Program Measurement

Recognition is measured by employee engagement. In all, Cargill has completed five cycles of Employees Engagement with surveys. The survey question pertaining to recognition is: I receive adequate recognition (beyond compensation) for my contributions/accomplishments.

It’s important to note that Cargill doesn’t ask if employees are satisfied with the program structure or how much they participate; officials are more concerned about employees’ satisfaction with the outcome. After cycle two or three, depending on the business, all employees’ responses were reflected in the recognition program results.

Survey results have shown improvement. There has been a positive trend in responses to each series of recognition questions. Program officials report that Cargill’s average “satisfaction with recognition” scores are higher than those of global employers around the world who participate in the database maintained by Hewitt Associates, whose engagement model is practiced within Cargill.

Each business and function monitors the level of participation at its level. Cargill does not document employee and manager participation at the corporate level except to record the number of employees attending the Recognition Conference. In 2002, about 125 senior managers and 750 employees attended. In 2004, 250 senior managers and 850 employees attended. In 2006, 275 managers and 850 employees attended.

While some functions and business units track the type of awards, officials discourage any quotas on the number of awards handed out, because they feel it would detract from the program’s credibility.

Since Cargill started focusing on recognition, the recognition score on the Cargill Employee Engagement Survey, which all employees are required to complete every 12 to 18 months, increased 6 percent. On the question as to whether employees felt they received adequate recognition beyond compensation for their contributions and accomplishments, results over subsequent years for those who either agreed or strongly agreed were 42 percent, 37 percent (all plant and production employees were included at this point), 47 percent, and 48 percent. This means that from the point all employees were included; there was an 11 percent increase in positive response.
Communication Plan

The branding for recognition is the 3-pillar icon with the recognition ribbon, which is five-year old. One of the members of the Global Recognition Steering Team is the manager for the Cargill News – the company magazine. The steering committee also has a Communication sub-team whose goal is to reinforce the recognition messages through a number of channels. This team develops a communication plan to ensure all employees receive the recognition messages. In addition, communication plays an important role in the pre-session, session, and post-session Recognition Conference messaging.

Communication methods include:

- The internal recognition company Web site, which has the following goals:
  - Centralize recognition-related content;
  - Raise the profile of recognition at Cargill;
  - Reinforce the message that recognition is more than a biennial event;
  - Provide new ways to deliver day-to-day recognition; and
  - Help functions and business unit managers create a culture of recognition.

- The Recognition Book, which is written every two years to coincide with the Recognition Conference.

- Newsletters for individual businesses, which highlight recognition.

Because engagement is a key driver of behavior, Cargill has a Web site dedicated to engagement. It has a section devoted to recognition – suggesting ways that businesses can improve.

One of the main goals for 2007 was to provide a means to distribute the recognition collateral developed for the 2006 Recognition Conference. This included adding more information to the Engagement Web site; developing a Recognition Web site; ensuring that recognition articles are included in the Cargill News; and supporting functions and business units in their recognition efforts.

Recognition Training

The recognition training strategy is to distribute the key messages that are developed every two years. The new messages are introduced at the Recognition Conference with the expectation that participants will share what they learned and help integrate the messages into their business or function before the next Recognition Conference.

Cargill’s Corporate University, called NourishingU, has listings for Recognition offerings beyond the core training that is available to all Cargill employees.

The Global Recognition Steering Team developed a series of three workshops that were introduced at the 2002, 2004 and 2006 Recognition Conferences; and then distributed in written form throughout the organization through business unit leaders and HR managers. Downloadable copies are also available on the Web site.

Following the conference, recognition training is conducted on request. The Chief Recognition Officer and other members of the Recognition Steering Team personally conduct several sessions each year.
**Recognition Events and Celebrations**

Cargill has held a Recognition Conference every two years since 2002. The Recognition Conference shines a spotlight on both individuals and teams in a variety of areas considered strategically important for Cargill's long-term success. A formal awards ceremony is included in every conference.

At the conference, employees have the opportunity to network, share knowledge, and build skills. Following each event, CD/DVDs are produced so that more people can learn about recognition and share in the Corporate Award Program experience.

The 2006 two-day conference was held at the Minneapolis Convention center and included more than 1,200 employees from four continents who represented nearly every business sector. The conference included the following events:

- Learning modules,
- Recognition workshops and roundtable discussions,
- A reception for the award nominees, and
- An awards ceremony.

Cargill has a separate dedicated program for recognizing volunteers and produces cultural awareness events to recognize, celebrate and better understand groups such as Black and Hispanic people. The company also celebrates supplier diversity with awards.

**Program Change and Flexibility**

Because of Cargill's sheer size - 158,000 employees in 66 countries across seven platforms and 70 business units – responsibility for the specific design, operation, and review of recognition elements is delegated to each business unit. Individual programs are always based on Cargill's Guiding Principles and Strategic Vision. Adaptations are made in accordance with the realities, necessities, preferences, and/or social norms of each region, location, business, and activity.

The Recognition Steering Team reviews and revises the guidelines, first drafted in 2002, every two years. The effectiveness of recognition programs are evaluated as part of the Engagement Survey Process, which is carried out within each business unit.

A leader from the Global Diversity and Inclusion team serves on the Global Recognition Steering Team to help advise and ensure that diversity and cultural sensitivity is embedded in all aspects of the event.

Based on feedback, the awards ceremony was lengthened to give more time to describe accomplishments and another round of workshops was added.

**In Summary...**

Cargill has developed an approach to recognition that takes into account the size and scope of its organization, its businesses, and the way the company is structured. This approach sets the overall tone, philosophy, and expectations of recognition at a corporate level, while allowing businesses and teams the flexibility to implement recognition programs that are appropriate and meaningful at local levels.

The dedication of recognition team members is obvious in the program details and the thorough manner in which the details are implemented company-wide.
“Going into the future, we want to continue to emphasize the bottom tier of the pyramid (common courtesy and respect),” Buckner said. “We are looking for more virtual events like Podcasts and common Web sites so that we can include more and more people around the world. Our biggest obstacle by far is that we are a global company and we are dealing with so many different cultures. Everyone enjoys being recognized. We need to be sure that our recognition is meaningful and motivational for everyone – we are on our way to accomplishing that.”

Recognition Professionals International is pleased to honor Cargill with its 2008 Best Practice Overall Award for its comprehensive and exemplary program. This company’s program is truly a model for recognition professionals worldwide.