

PERDUE FARMS ENVIRONMENTAL STEWARDSHIP GOALS

CASE STUDY



Background

Perdue Farms is a family-owned food and agricultural company in the United States. Their mission is to become the most trusted brand in food and agricultural products. Perdue Farms has around 21,000 employees, and they are based in Maryland. Perdue Farms generates around \$7 billion in sales, and they are one of the largest retailers in the food and agricultural industry. They believe in responsible agriculture, and are committed to animal care, no antibiotics, and sustainability. Perdue Farms is currently working on improving their Stewardship Training Program, which is what brought them to Penn State. They were interested in decreasing their water usage and improving other environmental objectives, along with making the program effective among all associates.



How CBoS was Involved

As a member of the Center for the Business of Sustainability (CBoS), Perdue Farms has unique access to both faculty research and to students. Perdue Farms communicated their needs to implement a more effective Environmental Stewardship Training Program, which led to the Perdue Farms Stewardship Program project with 20 students in BA441: Strategies for Enterprise Sustainability taught by Erik Foley, CBoS Director, and an instructor in Management and Organization.

The students were organized into four teams, which focused on four different opportunity areas for Perdue Farms:

- Analyzing best practices in behavior change and employee engagement Perdue Farms already have in their company.
- Reviewing current engagement practices at one specific Perdue Farms location to identify “bright spots”
- Benchmarking against peers and exemplars in the meatpacking and agricultural industry
- Considering psychological issues employees face in the meatpacking industry that may affect Perdue Farms ability to engage employees.

After the class spent the semester working on this assignment, a student from the class, Alexa Sereny (Senior, Supply Chain and Information Systems), consolidated the analysis and made final recommendations.

What Student Teams Did to Tackle the Problem

Students of BA441 benchmarked and looked for best practices among Perdue Farms with their competitors, which provided the teams with insight into their competitive environment. Therefore, students also completed competitor analysis to point out the best practices in the meatpacking and agricultural industry. Students also had the opportunity to interview management of different plants of Perdue Farms to identify best practices already existent in their plants. Lastly, students looking into best practices of sustainability among every industry, which gave them other ideas for recommendations.

The class pulled together key takeaways about the meatpacking and agricultural industry as a whole. Key trends for the industry include a low level of import and export activity, operating conditions shifted due to an oversupply of meat, and demand for grains and oilseeds, which will continue to dictate the market for livestock and poultry feed. There are multiple other companies such as Tyson Foods, JBS USA Holdings, Cargill Meat Solutions, SYSCO, and Smithfield Foods that their customers can easily switch to.

FINAL RECOMMENDATIONS

1. Improve management communication with employees on sustainability goals and expected behaviors
2. Provide opportunities for employees to engage and implement sustainability goals
3. Develop better metrics to track sustainability goals at each plant

Recommendations

1. Improve management communication with employees on sustainability goals and expected behaviors.

The class identified a good opportunity for Perdue management to communicate these goals and behaviors with employees through a few different avenues.

One avenue to communicate this message is through pamphlets. These pamphlets can be provided to employees to educate them on sustainability goals for themselves, and the company. Since there are many different languages circulating the Perdue plants, the pamphlets will have to be printed in different languages to effectively reach out to all employees. The class recommends providing pamphlets to employees due to this specific strategy working in the past for Perdue

Another avenue to communicate this message is an incentive program to educate employees on the importance of sustainability goals. These initiatives can be communicated on the Cluck TVs found at some of the Perdue production plants. This will consistently remind the employees about the goals, and encourage them to make it a part of their everyday work lives at Perdue.

The last avenue of communication for this message is to teach about important sustainability goals through a “sustainability blitz” for associates at all levels. A “blitz” is something Perdue Farms does that can be defined as a sudden, energetic, and concentrated effort on one specific task. The “blitzes” focused on sustainability would help to profoundly influence all employees, as it will enhance their understating of their personal impact, which will help them to assist sustainability goals for themselves, and the organization. Visuals or acronyms related to blitz materials and messaging, such as the word “water,” will help employees to remember sustainability topics, and help to incorporate them in their daily working lives.



2. Provide opportunities for employees to engage and implement sustainability goals

The student teams found that Perdue has a unique opportunity to engage employees with sustainability goals both on and off the job site. It is crucial to create clear messages to help employees understand how these sustainability goals connects to their own personal lives, their lives at work, and in effect, how this impacts Perdue and the environment.

Perdue could provide an opportunity for employees to engage with sustainability goals by creating and encouraging healthy competition among employees, through a process called gamification. They could create a competition to challenge employees to develop ideas and initiatives about how to be more sustainable. This would allow sustainability to be better incorporated throughout the company, and help all employees feel more valued for helping to create initiatives within Perdue.

Another way to provide an opportunity for employees to engage with goals is by implementing Gemba Walks into their plants, along with using translation software, such as Survey Hero, since a language barrier exists. Gemba Walks involve upper-level management completing scheduled walks throughout the plant, which helps the gain a deeper understanding of the front-line employees' activities, and allows them to provide positive reinforcement and feedback. Ultimately, employees will feel more valued through a Gemba Walk, as this shows that management is taking an interest on improving their work lives.

3. Develop better metrics to track sustainability goals at each plant

There are different metrics Perdue can adapt at each plant to help hold themselves accountable on keeping up with their sustainability goals. These metrics will also help to bridge the large disconnect between middle level managers and low-level employees. We suggest that some metrics Perdue should focus on are the time spent in presence of skip-level leadership, and the percentage of manager's time spent with employees. By adding reflective metrics and numerical data, such as the Trust Index Survey responses, management can better understand employees' emotional commitment to company objectives.

The Center for the Business of Sustainability thanks Perdue Farms, the student teams and Alexa Sereny for the combined effort on this important project. Written by Alexa Sereny, Smeal undergraduate student.

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