

Linking Performance Management to Strategy at Procter & Gamble

Consider the following description of a firm-wide strategy pursued by Procter & Gamble: *

Procter & Gamble (P&G), the world's largest consumer products company, follows a fairly unique strategy: P&G appeals to the heart and cares about human needs. In other words, P&G attempts to touch and improve the lives of its consumers all over the world. As an example, take the razor-and-blade innovation pioneered by Gillette's Himalaya team, which focuses on India but is a global group based partly in Boston, USA. The team received information about how men in India shave: about half of them use barbershops and barbers usually break double-sided blades in two and used them repeatedly, which creates unsanitary conditions. With the strategic goal of improving the lives of its customers, the team created a razor-and-blade innovation that simplified the essential features of the shaving done in barbershops. The products were a success in terms of improving both the human condition and profitability. As a second example, consider a situation in P&G Brazil, where P&G feared a shutdown due to decreased business volume. Low-income consumers were the fastest growing segment of the population, but P&G's global premium products were too expensive for this market segment. Local P&G teams decided to live with families, scrutinized every P&G process in an attempt to reduce costs, and ended up creating an innovative products line they dubbed "basico" (for "essential" in Portuguese). The team members felt that they were doing good for the world, not just making money for the corporation. Demand immediately outpaced supply when the first "basico" products were launched, which included women's hygiene, diapers, and greener laundry detergent. The company quickly captured market share through small neighborhood shops and premium products were lifted. The business in Brazil became a profitable global growth model, and not just for emerging countries. As a consequence, "Tide Basic" was recently introduced in the United States.

In sum, P&G's strategy inspires employees to add their hearts to their heads and aims at finding creative solutions when purpose-inspired opportunities and commercial considerations seem to collide.

- Imagine you are an HR executive at P&G. Given the company's strategic orientation toward purpose and values, what would you do to help align a new performance management system with the strategic plan? How would you explain this relationship? What would you say and do to garner company-wide support for your performance management system?

Procter & Gamble organization of multicultural customers. Their main office is in the US. The P&G Company is famous of their strategy that focuses on the human need. They have different products lines such as personal health/consumer health, and personal care and hygiene products; and working with other companies that contributes to P&G growth and benefits. Their sales reached to \$83.1 billion in sales in 2014. They started with 80 employees and reached to 95 thousand employee worldwide in 2017.

If I were the HR executive at P&G I will align a new performance management system with the strategic plan by recognizing, attracting the agents which will help the organization to achieve the target and goal and providing salary and bonus based on the employee performance as encouragement.

. As the HR executive I will focus on

1. Informing the staff in the organization about our new performance management by the HR department.
2. Allow employees to self-manage and assess themselves in the appraisal
3. Trying to develop and enhance employees.
4. Clarify the employee's roles and how it should be driven to the organization vision.

The company is focusing basically on the humans need. In the case study the P&G strategy was to make goods according the customer needs in order to raise their customer number and satisfaction as the "basico" products or designing their men's razor Gillette. To support performance management system I

have first ensure that all are aligning with the HR systems and by involving the company's Members on Board