

# 2014 ERC Performance Management Practices Survey

July 2014

Conducted by ERC  
387 Golf View Lane, Suite 100  
Highland Heights, OH 44143  
440-684-9700 | [www.yourERC.com](http://www.yourERC.com)

**ERC**  
Where Great Workplaces Start.

# Terms of Use

Copyright © 2014. All rights reserved. No part of this survey may be publically displayed, reproduced, redistributed or resold to third-parties, or otherwise commercially exploited, without prior written permission from ERC. Violation of these terms may result in termination of membership and/or legal action.

The information contained in this report is for informational purposes only and should not be relied upon or considered a substitute for professional or legal advice. ERC will not be responsible for any loss to you or any third party resulting from any decision or action taken in reliance of this information. ERC recommends that you consult your legal counsel regarding workplace matters if and when appropriate.

If litigation is brought upon your firm for copyright infringements or violation of these terms of use, your organization will assume ALL legal expenses incurred on behalf of ERC and, if a member of ERC, your membership with ERC will be suspended pending the outcome of the litigation.

**Notice to HR Service Providers** (including, but not limited to: Staffing Firms, Consultants, Brokers and Law Firms) – Information from ERC may not be used for your organization's financial gain. This includes directly/indirectly sharing or disseminating ERC survey information for the benefit of your clients. Violators will be prosecuted to the fullest extent of the law.

# About ERC

ERC is Northeast Ohio's largest organization dedicated to HR and workplace programs, practices, training and consulting. ERC membership provides employers access to an incredible amount of information, expertise, and cost savings that supports the attraction, retention, and development of great employees. We also host the nationally recognized NorthCoast 99 program and sponsor the ERC Health insurance program. For more information about ERC, please visit [www.yourERC.com](http://www.yourERC.com).



# Table of Contents

Introduction & Methods	3
Key Findings	4
Performance Reviews	5
Performance Criteria	12
Supervisor's Role in Managing Performance	16
Other Performance Management Issues	18
Performance Management Technology	21
Respondent Demographics	23
Participating Organizations	24
Appendix A: Industry & Organizational Size Breakouts	25
Appendix B: Numeric Rating Scales	47
Appendix C: Self-Appraisal	52
Appendix D: Below Standard Performance	54
Appendix E: Performance Evaluation and Compensation	58

# Introduction & Methods

In May/June of 2014, ERC conducted a survey of organizations in Northeast Ohio to explore performance management practices specifically related to performance reviews, performance criteria, role of the supervisor in managing performance, and other performance management issues. The results show several key trends among Northeast Ohio employers in terms of their performance management practices

All ERC members were invited to participate in the survey in May via email invitation and other promotions, and participated in the survey throughout the month. The survey officially closed on June 13, 2014. In order to provide the most reliable and accurate information, data was cleaned and duplicate records were removed. Any outliers or invalid data were also eliminated, yielding a final data set of 100 participating organizations, only from Northeast Ohio. All quantitative data was analyzed using statistical software to ensure data validity and reliability.

This report shows several frequencies and response distributions. Breakouts of data are provided for industry and number of employees. Frequencies of data responses may not total 100% exactly in some cases due to rounding of decimals or the ability for participating organizations to select multiple response options. Additionally, some breakouts may not be reported due to insufficient or invalid data.

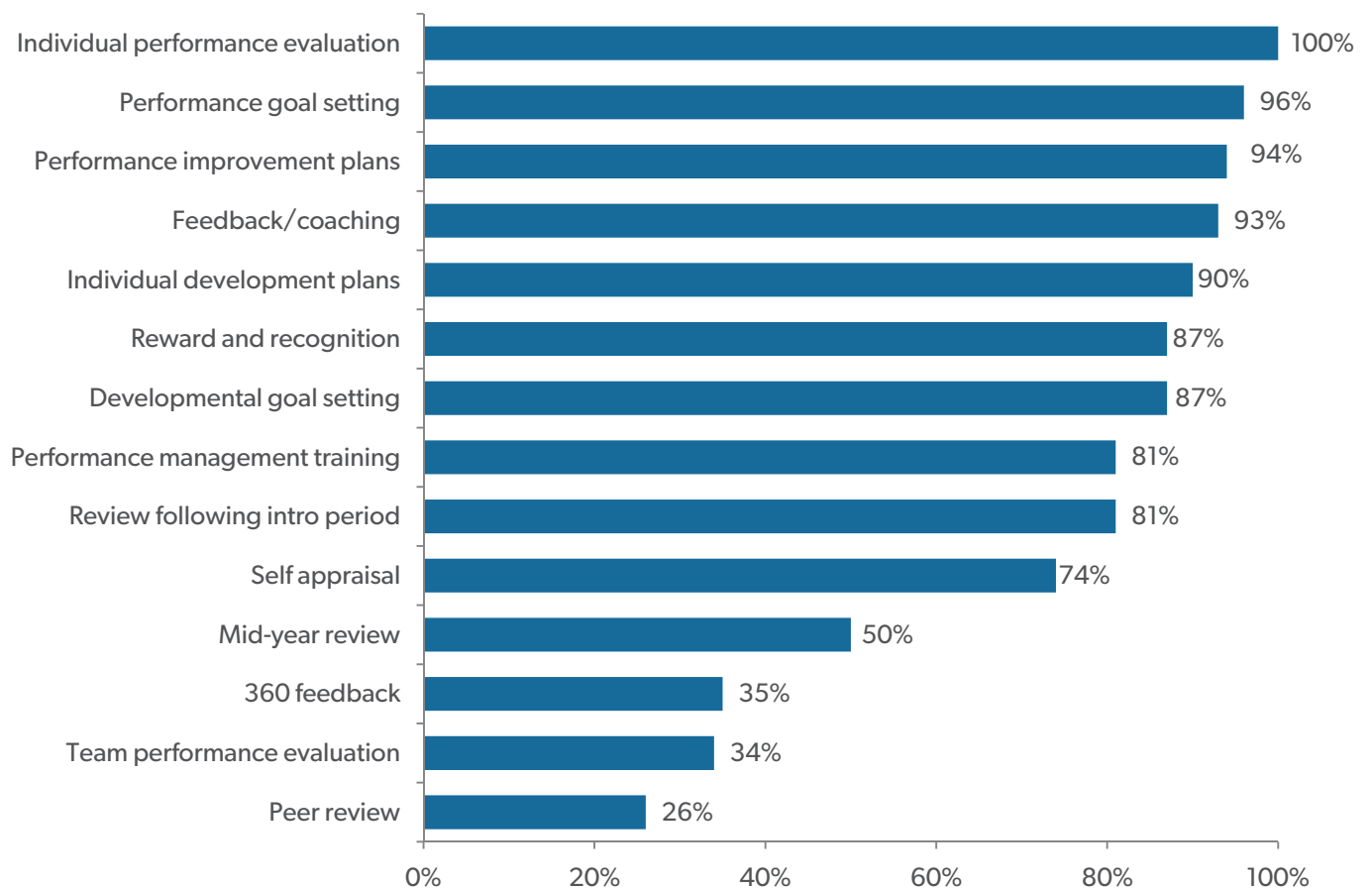
# Key Findings

- All organizations use individual performance evaluations regardless of industry or organizational size. Performance goal setting, improvement plans, and feedback/coaching are also highly utilized by more than 90% of employers surveyed.
- Comments/summaries surpassed numeric scales, and goal setting/MBOs as the most common format for performance reviews.
- Most employees are shown their supervisor's completed performance evaluation of them during the meeting/discussion of the evaluation and all employees see the evaluation at some point.
- Performance improvement plans are used by the majority of respondents and typically require employee and supervisor signatures as a formal acknowledgement of the plan. The plan's content most often includes expected behavior or results, activities to be conducted, and a target date for improvement.
- Designing and implementing the performance management process within an organization is primarily driven by human resource representatives and senior managers or executives and managers.
- Supervisors commonly set performance criteria and goals for employees, although goals are set mutually (by both the employee and supervisor) at just over half of participating organizations.
- The most frequently assessed performance criteria include job knowledge/job specific competencies and quality of work. More soft-skill type criteria such as teamwork/cooperation and attitude/professionalism are also assessed by more than two-thirds of respondents.
- Supervisors have a high level of involvement with nearly every aspect of managing employee performance, but organizations typically provide supervisors with performance management training as it relates directly to the performance evaluation discussion and documentation process itself. Areas such as developmental coaching and reward and recognition remain less commonly included in the training process.
- The most commonly reported challenges organizations experience with their performance management systems involve challenges related to their supervisors implementation of the process, such as inconsistent performance documentation and failure to provide on-going feedback.
- Performance management technology solutions are not particularly common within this group of respondents with only 30% of participants reporting they have one in place. Additionally, a strong majority of these organizations indicate that they do not currently have plans to implement one in the foreseeable future.

# Performance Reviews

Employers utilize a variety of activities and processes in their performance management programs, but this year's survey found that every organization (100%) uses individual performance evaluations. More than ninety percent of the organizations surveyed use performance goal setting (96%), performance improvement plans (94%), and feedback/coaching (93%). Fewer employers report using activities involving the input of larger groups of individuals such as 360 feedback (35%), team performance evaluations (34%), and peer reviews (26%).

**Figure 1 | What activities are featured in your performance management program?**



Although organizations differ somewhat on the frequency in which they conduct various performance management activities, the frequency is closely tied to the type of activities the organization chooses to include in their performance management program. Most organizations conduct their performance management activities on an annual basis, particularly individual performance evaluations (75%), performance goal setting (66%), and self appraisal (48%). Organizations that have a Performance Improvement Plan (PIP), feedback/coaching, or provide feedback/coaching and reward and recognition on an on-going basis, while others use performance improvement plans, individual development plans, performance management training and performance review following an introductory period on an as-needed basis.

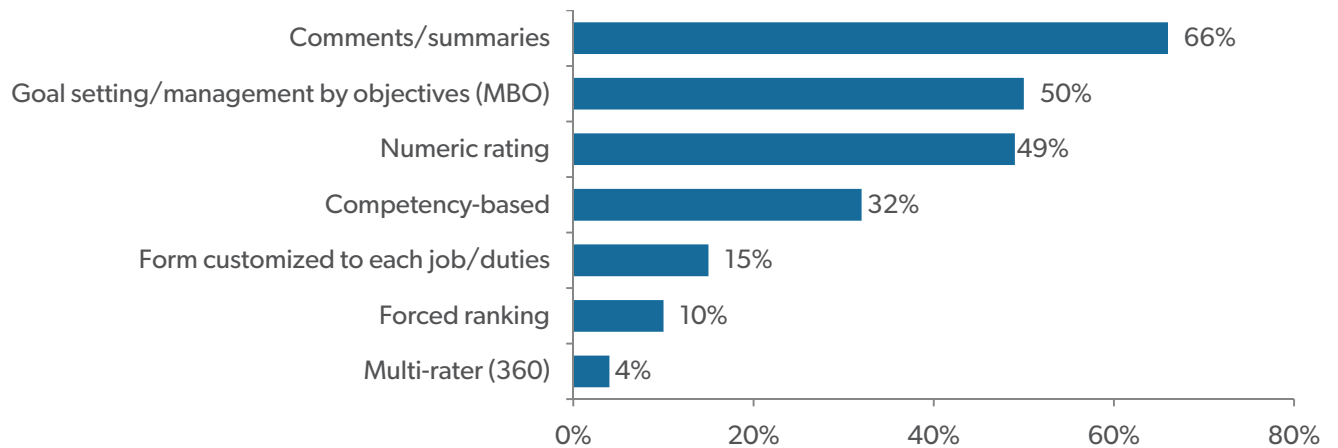
**Figure 2 | How frequently do your performance management activities occur?**

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
Individual performance evaluation	75%	17%	2%	4%	5%	2%	0%
Feedback/coaching	13%	4%	2%	37%	40%	2%	7%
Performance goal setting	66%	7%	2%	13%	7%	2%	4%
Performance improvement plans	15%	2%	1%	5%	68%	2%	6%
Reward and recognition	15%	1%	5%	39%	18%	3%	13%
Individual development plans	28%	6%	1%	11%	39%	1%	10%
Developmental goal setting	45%	2%	1%	10%	20%	2%	13%
Self appraisal	48%	14%	0%	3%	2%	1%	26%
Performance management training	24%	2%	2%	13%	22%	14%	19%
360 feedback	6%	1%	1%	2%	10%	3%	65%
Team performance evaluation	6%	1%	3%	7%	6%	1%	66%
Peer review	2%	0%	0%	5%	5%	2%	74%
Mid-year review	18%	9%	0%	2%	9%	1%	50%
Performance review following introductory period	15%	6%	10%	13%	26%	6%	19%



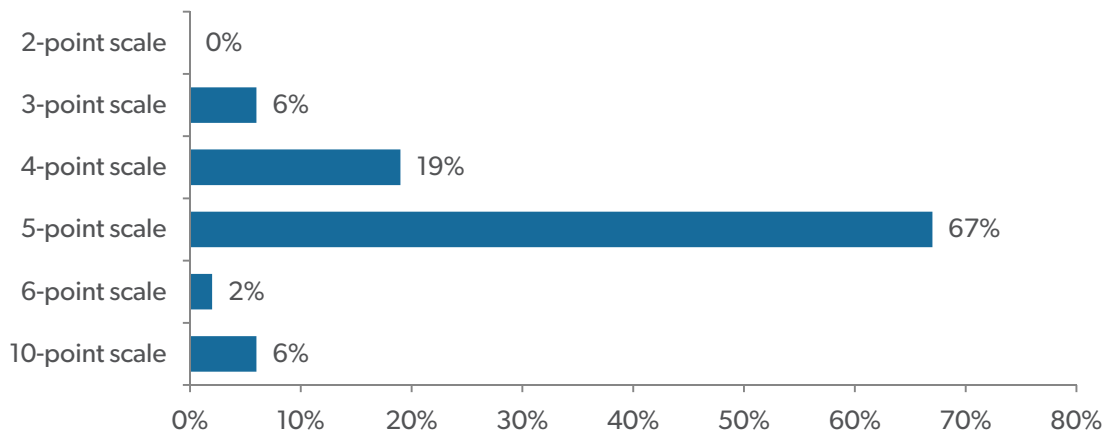
Organizations most frequently describe the format of their annual performance evaluation as including comments/summaries (66%). Somewhat fewer organizations, about half, report use goal setting/management by objectives (MBO) or numeric ratings as part of their evaluation format. Competency-based evaluations are slightly less common, but are still used by about one-third of organizations. Comments/summaries are common across size and industry. However, smaller organizations outside of the manufacturing industry are more likely to use more individualized performance evaluation formats such as goal setting/management by objectives (MBO) and customized forms while larger organizations tend towards more standardized formats such as numeric rating scales.

**Figure 3 | Which of the following best describes the format of your organization’s annual performance evaluation?**



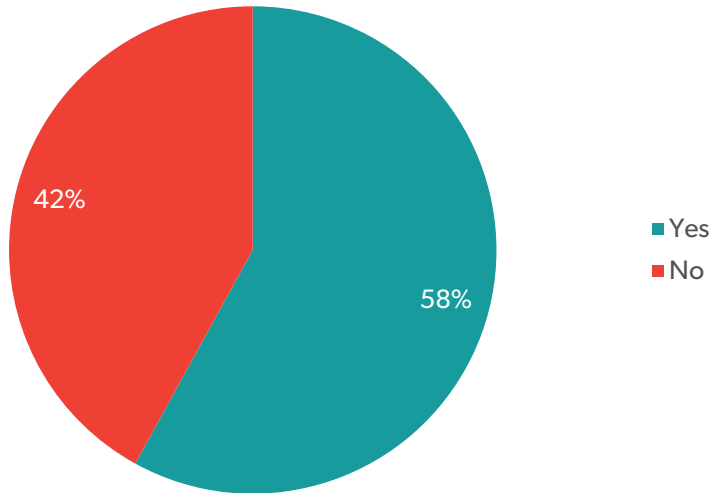
Two-thirds of participating organizations that use a numeric rating for performance evaluations rate employees on a five-point scale. Less frequently used are four-point (19%), three-point (6%), and ten-point (6%) scales. Full responses of the rating scales used, including the scale’s anchors and wording, are provided in [Appendix B](#).

**Figure 4 | If numeric ratings are used, what type of scale is employed?**



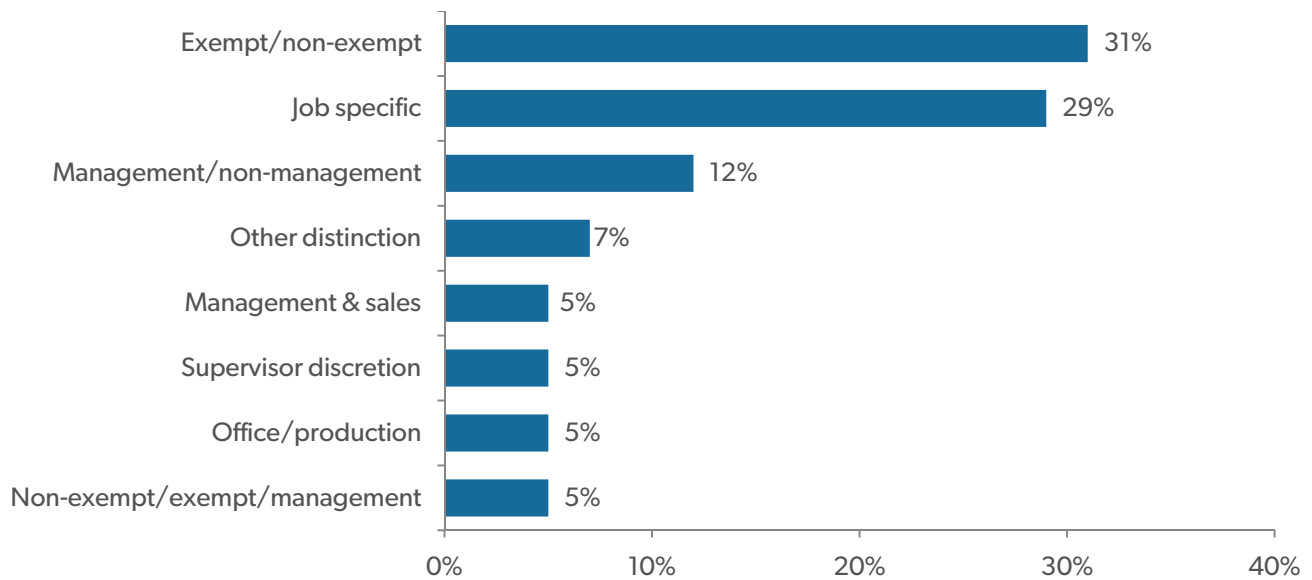
The majority of organizations (58%) use the same performance evaluation form to evaluate all employees. Differences between industries and employer sizes were not immediately apparent.

**Figure 5 | Are all employees evaluated using the same performance evaluation form?**



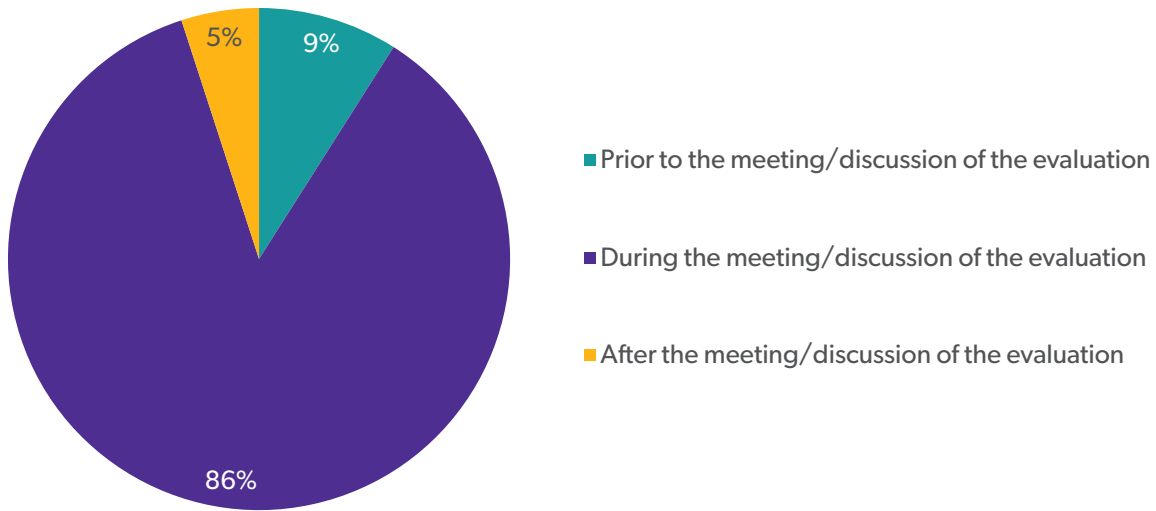
Of those organizations that do not evaluate all employees using the same form, about 30% report using separate evaluations both for exempt and non-management employees as well as for employees with different jobs, i.e., job specific. Although several other distinctions are drawn between employee groups, these less frequently cited distinctions are somewhat scattered and do not fall within any one particular breakout.

**Figure 6 | What employees receive different evaluations?**



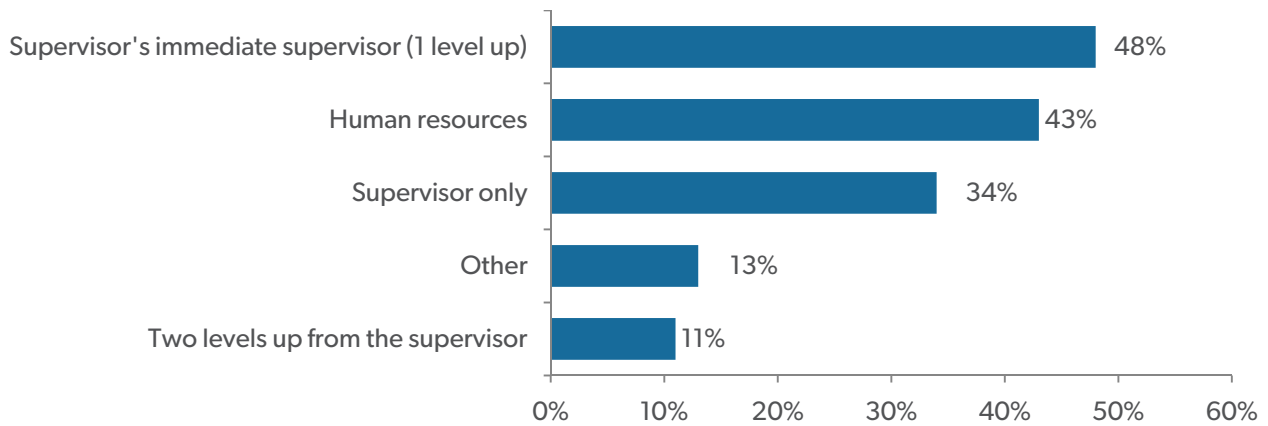
The vast majority of employers (86%) report that employees see their evaluations during the meeting or discussion of the evaluation. A few organizations provide evaluations to employees either immediately prior to or immediately after the meeting or discussion, but all participants indicate that the employee does see their supervisor’s completed performance evaluation of them at some point.

**Figure 7 | When does the employee see their supervisor’s completed performance evaluation?**



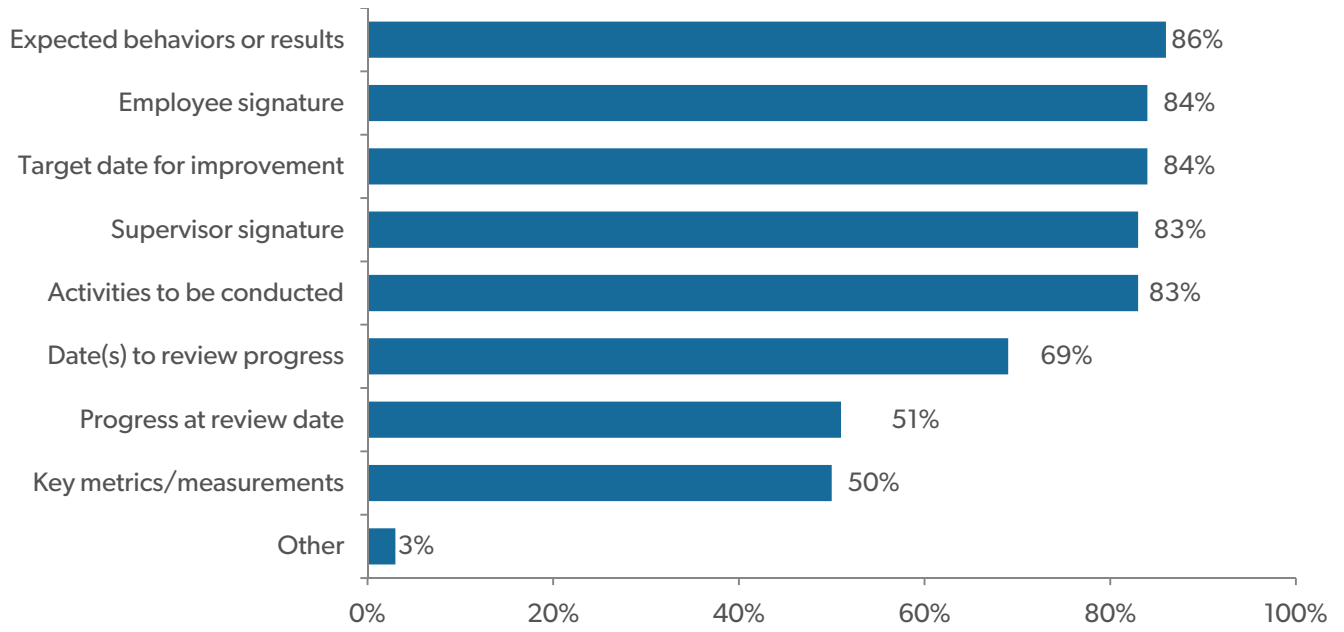
Approval of performance evaluations is most commonly provided by the supervisor’s immediate supervisor (1 level up) (48%). The Human Resource Department (43%) is also often involved in the approval process, however, in some organizations (34%), only the immediate supervisor needs to approve performance evaluations. Examples of other positions (12%) noted as responsible for approval include top level executives such as COO or CEO as well as committees of managerial level employees.

**Figure 8 | Who approves performance evaluations?**



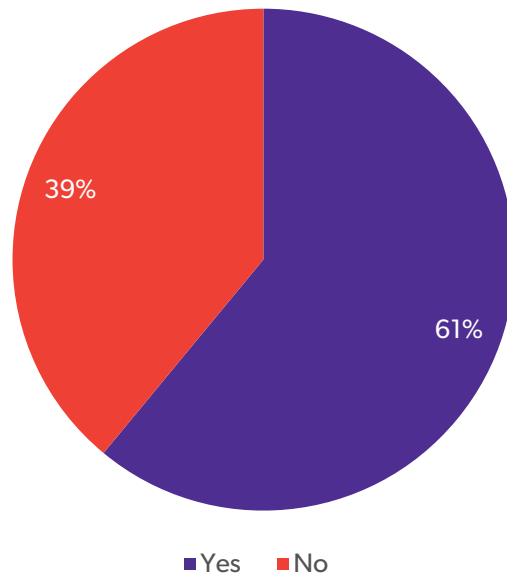
Performance improvement plans in organizations tend to include several key aspects including expected behaviors or results (86%), employee (84%) and supervisor signatures (83%), a target date for improvement (84%), and activities to be conducted (83%).

**Figure 9 | If your organization uses performance improvement plans, what is included?**



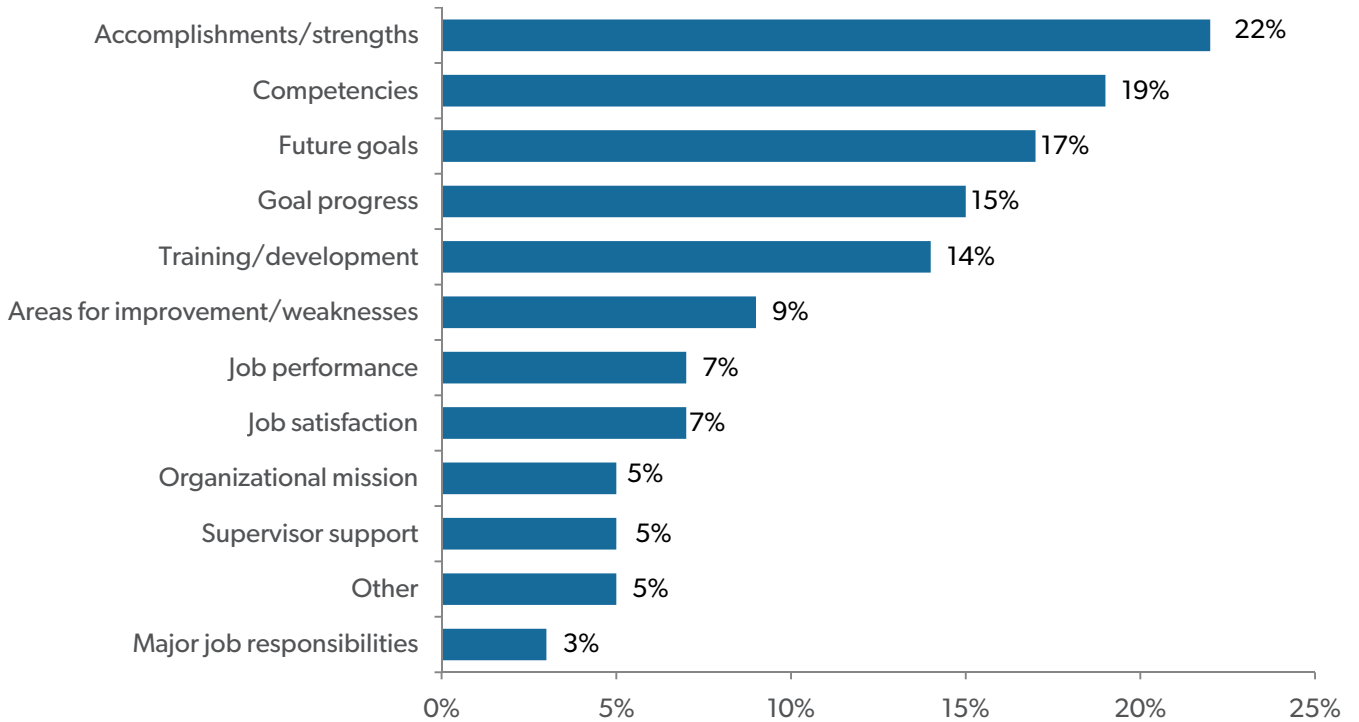
According to respondents, when organizations use self-appraisals (and over half do- about 60%), the employees and their supervisors typically fill out the same forms (61%). Manufacturers and larger organizations (over 200 employees) appear to be more likely to draw a distinction between employee and supervisor self-appraisal forms than their smaller, non-manufacturing counterparts.

**Figure 10 | If your organization uses employee self-appraisals, do employees and supervisors fill out the same evaluation form?**



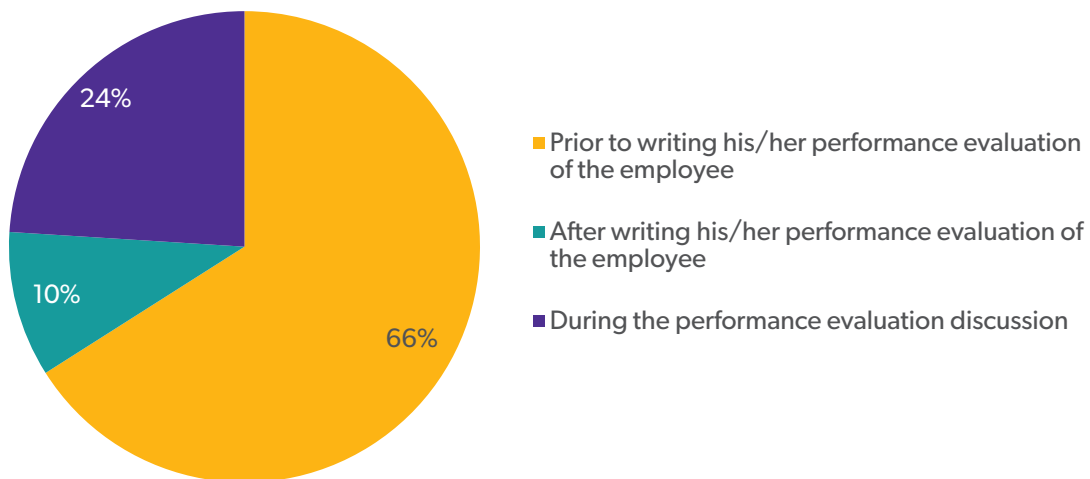
Among organizations that use self-appraisals, the most common items evaluated are accomplishments and strengths (22%), competencies (19%), and future goals (17%). Full responses are provided in [Appendix C](#).

**Figure 11 | If your organization uses a self-appraisal, what are employees asked to assess?**



According to respondents, the supervisor most frequently sees the employee’s completed self-appraisal prior to writing his/her performance evaluation of the employee (66%). Although only 10% of participating organizations allow supervisors to see the employee’s self-appraisal prior to writing their own evaluation of the employee, organizations with over 200 employees tend to be somewhat more likely to allow this.

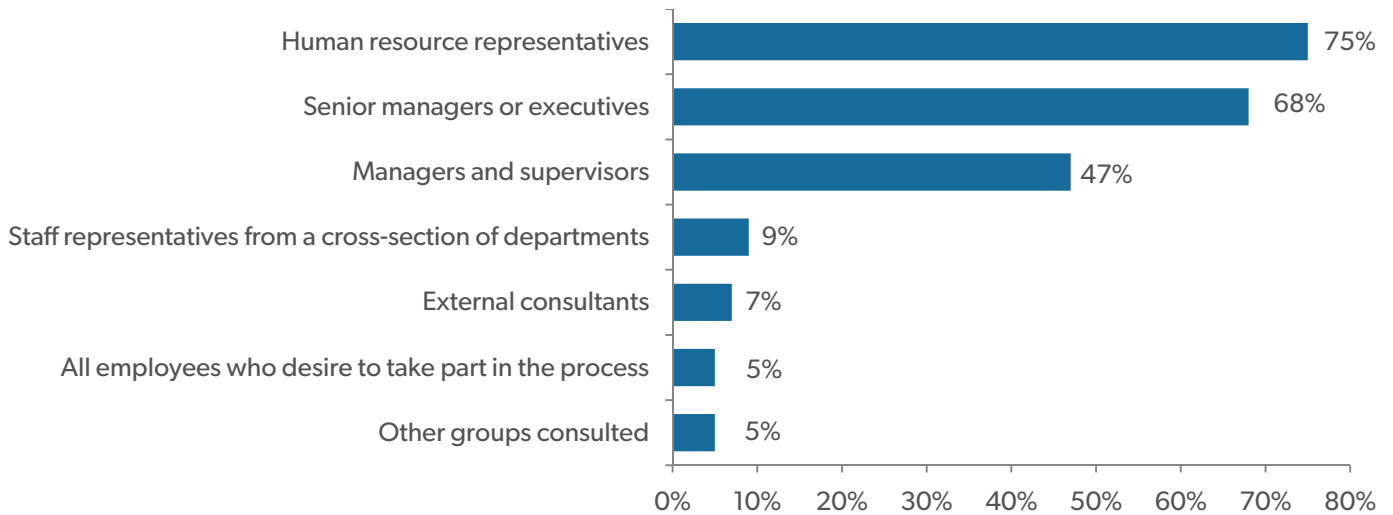
**Figure 12 | If self-appraisals are used, when does the supervisor first see the employee’s completed self-appraisal?**



# Performance Criteria

In most organizations, human resource representatives (75%), senior managers or executives (65%) and managers and supervisors (68%) are consulted on the performance management process and design. Only a few organizations consult staff representatives from a cross-section of departments (9%) and external consultants (7%).

**Figure 13 | Are any of the following groups consulted on the performance management process and design?**



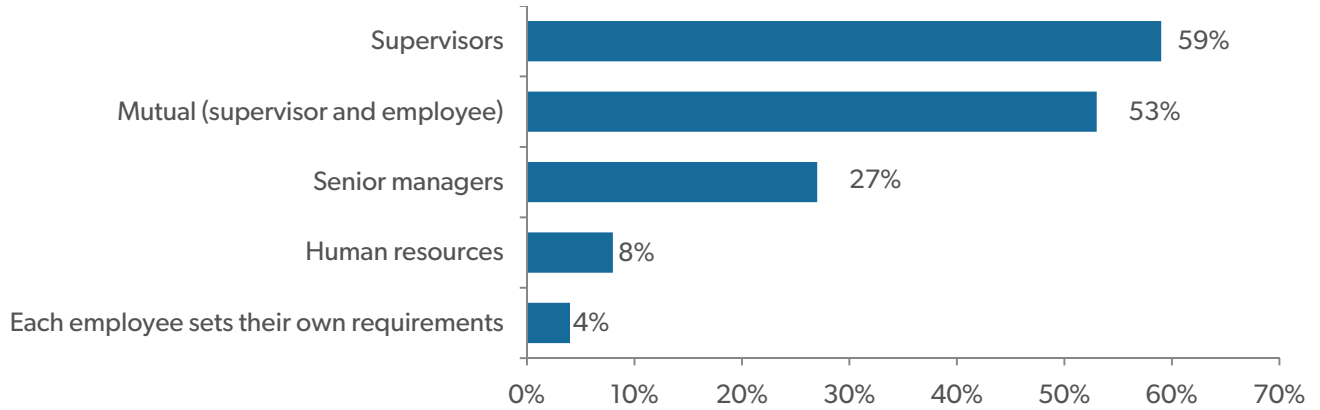
Employers cite that supervisors (63%) typically set performance criteria for employees. Both Human Resources and senior managers are involved in setting performance criteria in just over one-third of cases reported.

**Figure 14 | Who sets the performance criteria for employees?**



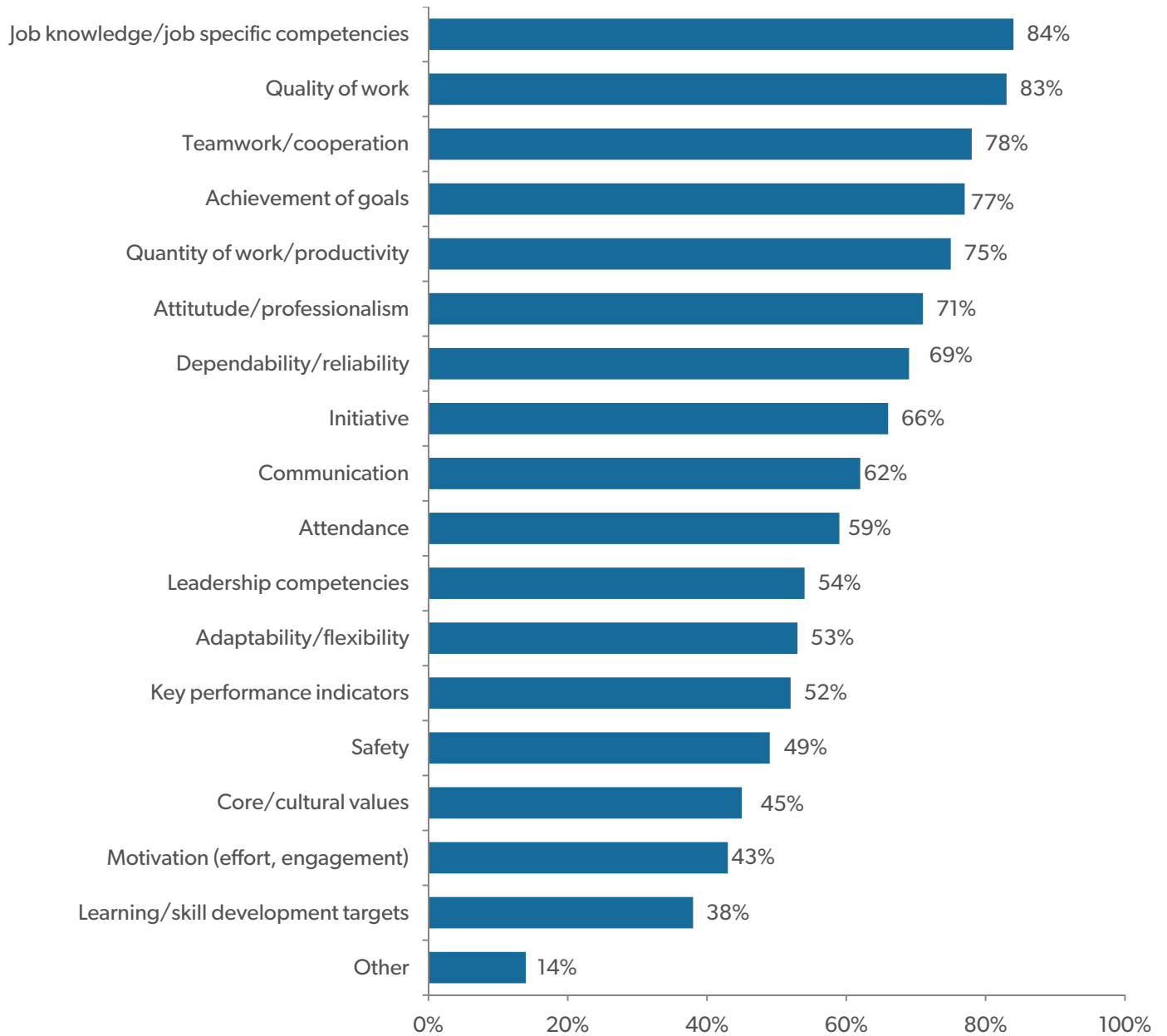
In terms of goal setting, employees and supervisors tend to either be set by supervisors or be mutually set by supervisor and employee (53%). Human resources rarely gets involved in setting employee goals and this year no organizations indicated they set goals for individual employees using a cross-section of staff or committee structure.

**Figure 15 | Who sets the goals for employees?**



Organizations choose to assess a multitude of key performance criteria, but Job knowledge/job specific competencies (84%) and quality of work (89%) and are assessed most frequently. In addition, teamwork/cooperation (78%), achievement of goals (77%), quantity of work/productivity (75%), and attitude/professionalism (71%), and are all assessed by over 70% of respondents. Other performance criteria assessed include problem solving, customer service, interpersonal relationships, and organizational skills. Attendance and safety are two examples of criteria that are more common in the manufacturing over the non-manufacturing breakout.

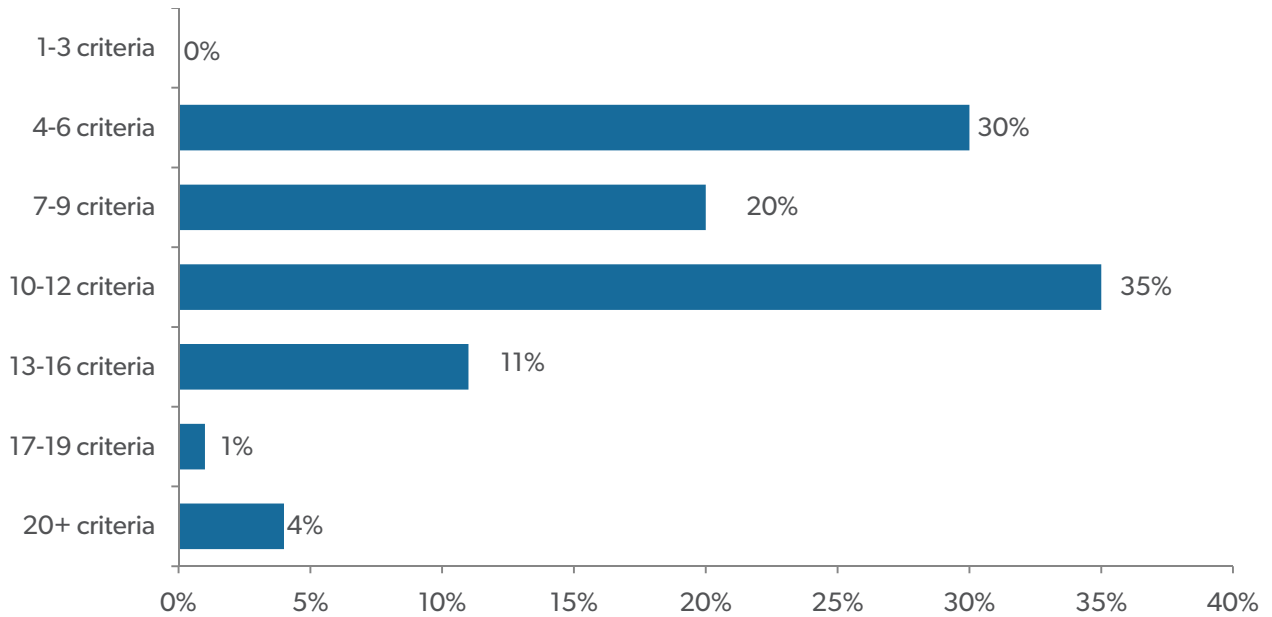
**Figure 16 | What key performance criteria does your organization assess?**





Organizations assess differing numbers of criteria on employees during performance evaluations ranging from 4 up to 45. The average number of criteria in which an employee is evaluated on his/her performance evaluated is 9.7. Organizations most commonly evaluate employees on 10-12 criteria (35%).

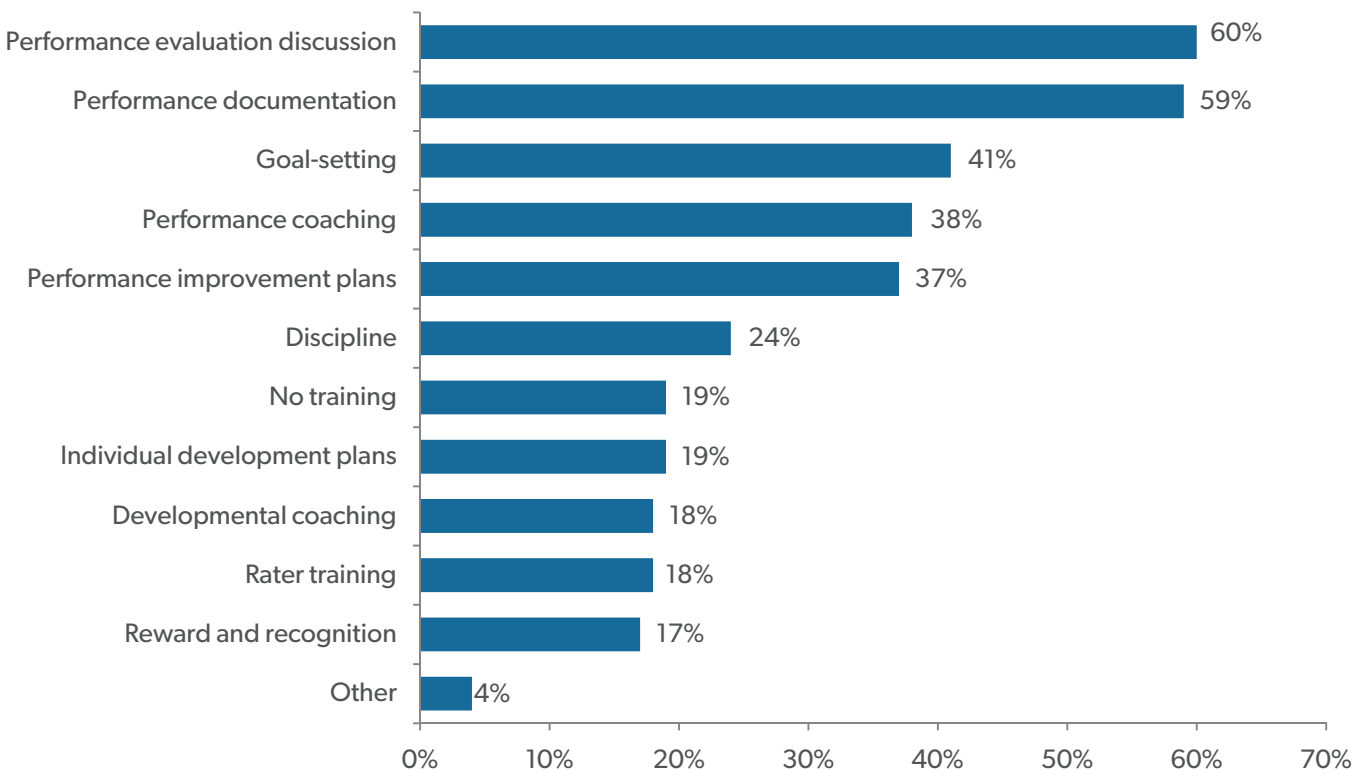
**Figure 17 | What is the average number of criteria against which an employee is evaluated on his/her performance evaluation?**



# Supervisor's Role in Managing Performance

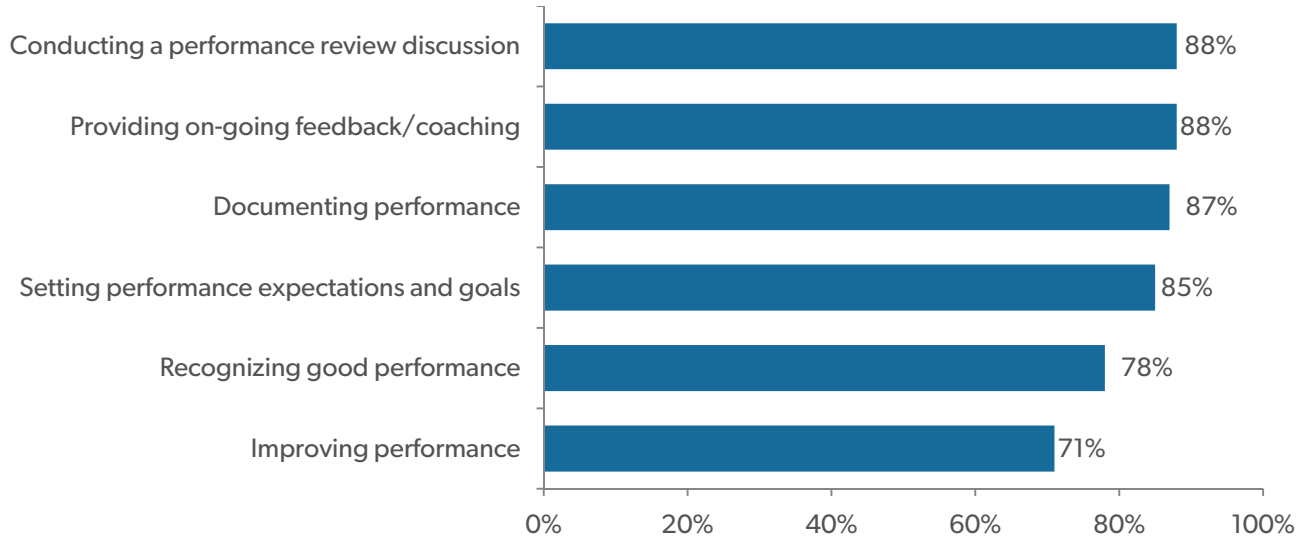
Organizations provide performance management training to supervisors on a number of different topics. Most employers offer supervisory training related to conducting the performance evaluation discussion (60%) as well as in documenting performance (59%). Slightly fewer respondents also offer training in goal setting (41%), performance coaching (38%) and performance improvement plans (37%). A strong majority (81%) of organizations report offering one or more type of performance management training to their supervisors. Small organizations (1-50 employees) were slightly less likely to provide any performance management training as compared to larger organizations.

**Figure 18 | What training do supervisors receive in performance management?**



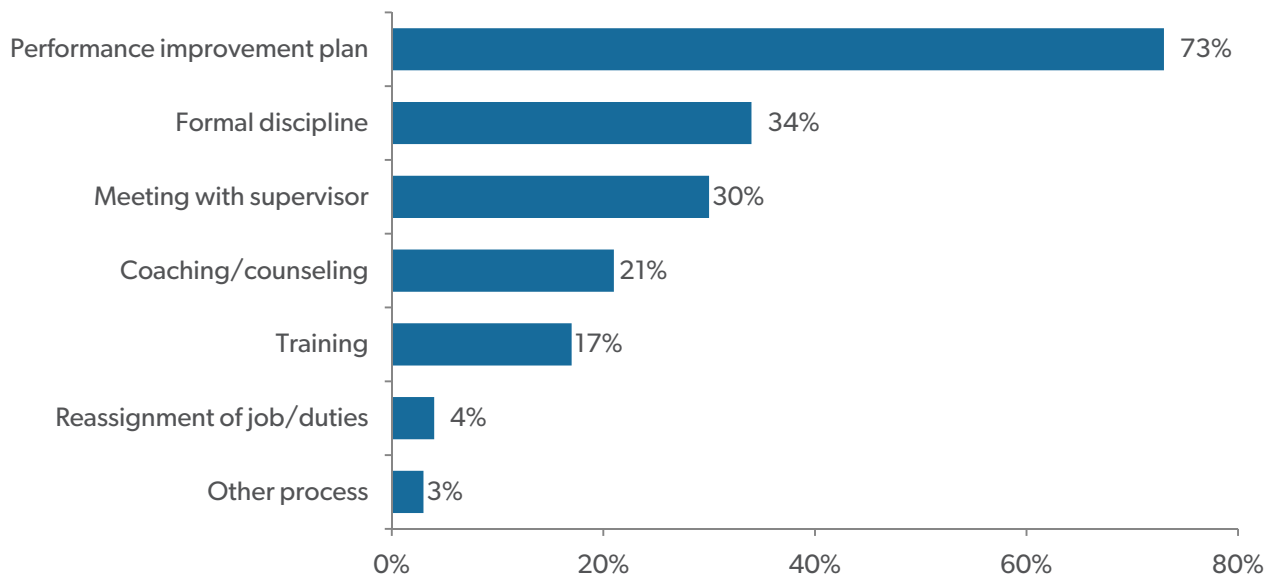
Organizations report that supervisors have many responsibilities related to managing employee performance that are fairly consistent across the board. Nearly all organizations report that supervisors conduct a performance review discussion (88%), provide on-going feedback/coaching (88%), document performance (87%), and set performance expectations and goals (85%).

**Figure 19 | What role do supervisors play in managing employee performance?**



Nearly three-quarters of organizations deal with below standard performance by instituting a performance improvement plan (73%). About one-third use some form of formal discipline (34%), while still others use meetings with supervisors (30%), and coaching/counseling (21%). Full responses provided by respondents can be found in [Appendix D](#).

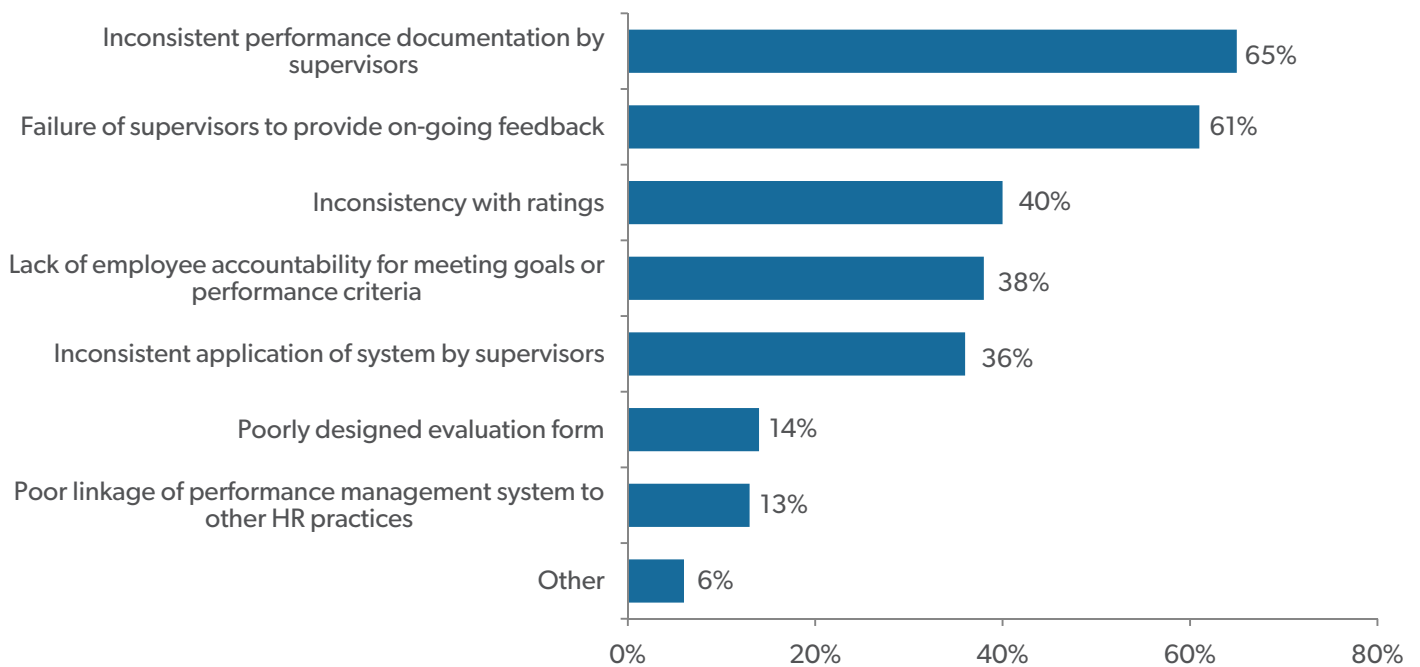
**Figure 20 | Please explain the process by which your organization deals with below standard performance?**



# Other Performance Management Issues

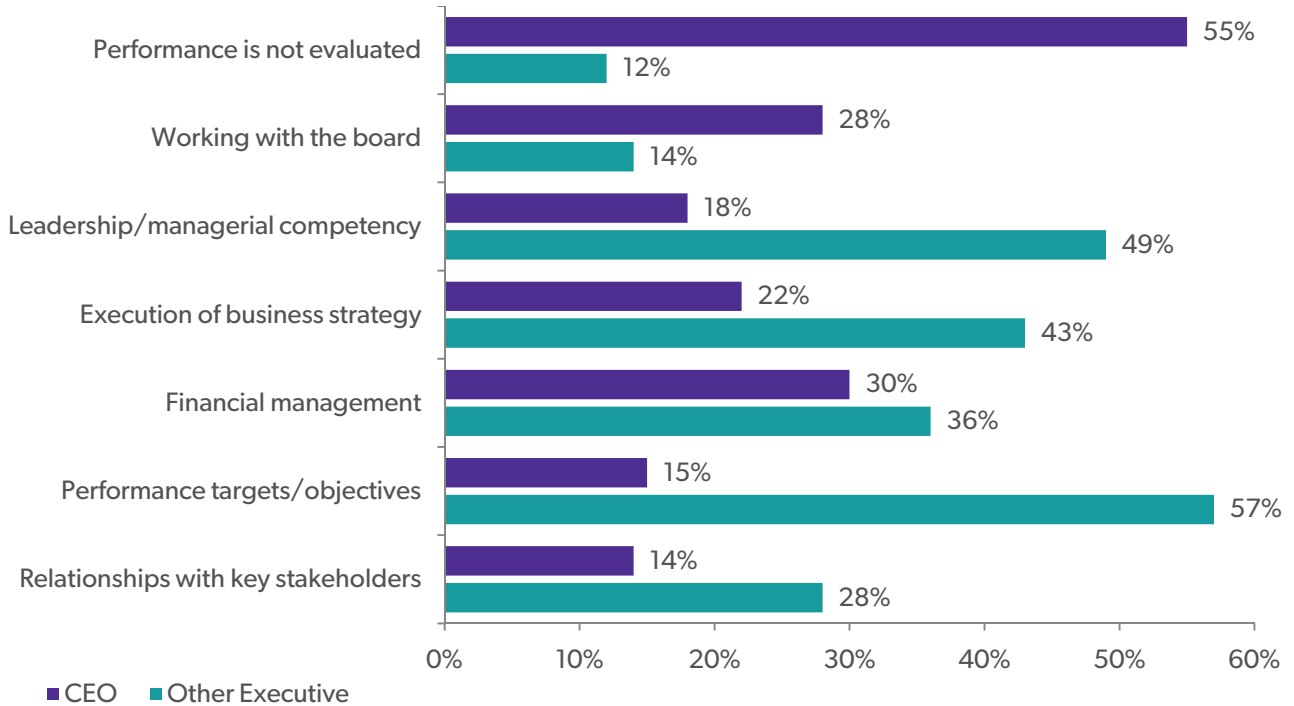
Organizations report several challenges primarily related to inconsistencies with their performance management systems. Inconsistent performance documentation by supervisors (65%) and failure of the supervisor to provide on-going feedback (61%) and are the most commonly reported problems. Other somewhat common challenges cited by respondents include inconsistency with ratings (40%), lack of employee accountability for meeting goals or performance criteria (38%) and inconsistent application of the system by supervisors. Other (6%) challenges noted include a lack of time to complete thorough discussion of the evaluations with employees and a lack of a formalized system.

**Figure 21 | Does your organization's performance management system experience any of the following challenges?**



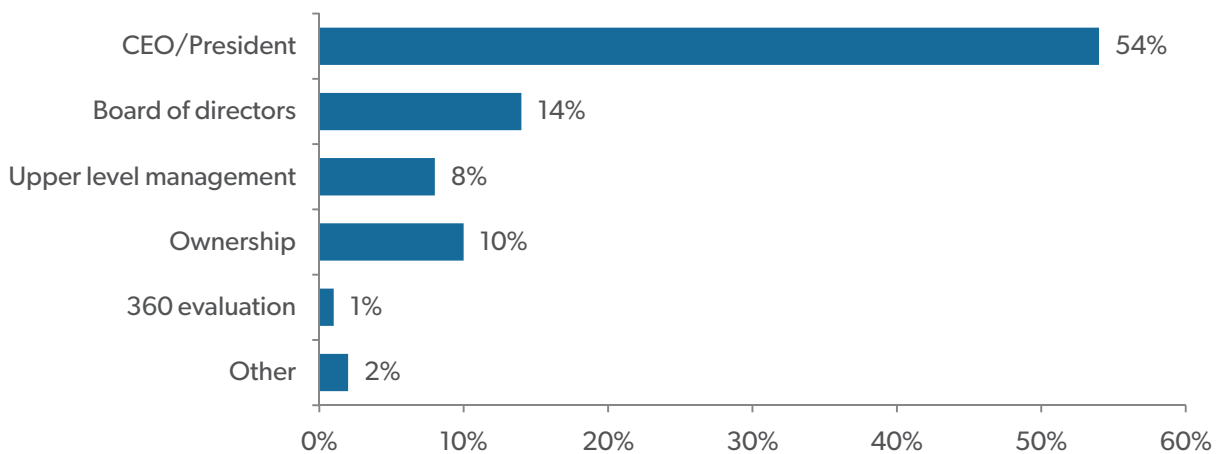
Forty-five percent of organizations use one or more methods to evaluate CEO performance, and 65% use at least one method to evaluate the performance of other executives. Most often, CEOs are evaluated by working with the board (28%). They are sometimes evaluated on their leadership/managerial competency, execution of business strategy and financial management, but evaluation in each of these areas is more common for other executives apart from the CEO.

**Figure 22 | How are executives' performance evaluated?**



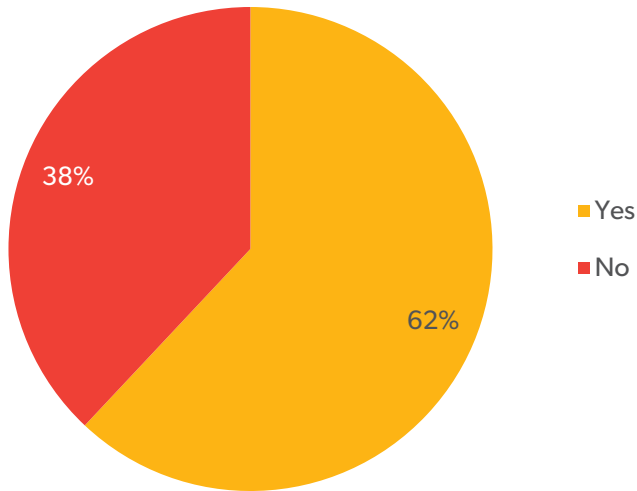
Of those organizations that evaluate executive performance, the CEO/President evaluates other executives at the majority of organizations. The Board of Directors was the most common evaluation mechanism for CEOs.

**Figure 23 | If executives' performance is evaluated, by whom?**



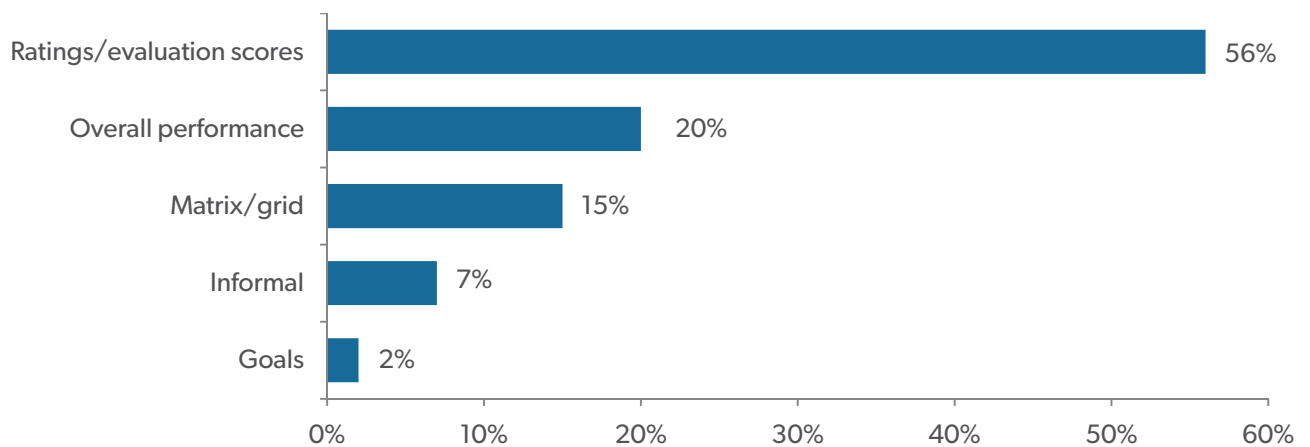
At the majority of organizations (62%), performance evaluation results and scores are tied to compensation. Full responses provided by respondents on how compensation is tied to performance evaluations can be found in [Appendix E](#).

**Figure 24 | Are performance evaluation results or scores tied to compensation?**



Of those organizations that tie performance evaluation results to compensation, more than half (56%) use ratings or performance evaluation scores to make this determination. Overall performance is used by 20% of organizations. Ties based on matrix/grid methods, informal evaluations, or goals are far less common.

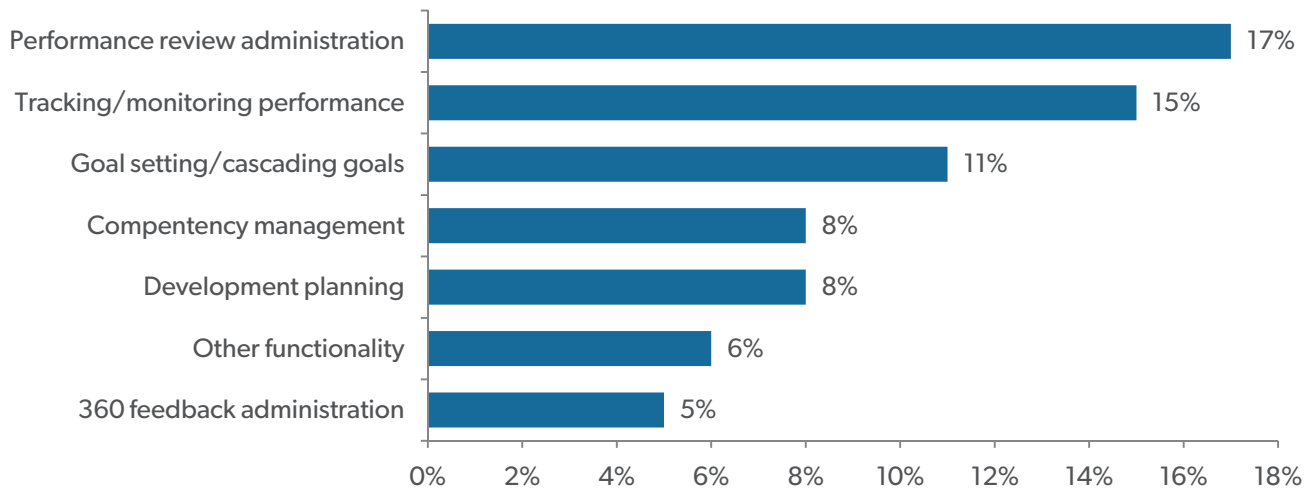
**Figure 25 | How are performance evaluation results or scores tied to compensation?**



# Performance Management Technology

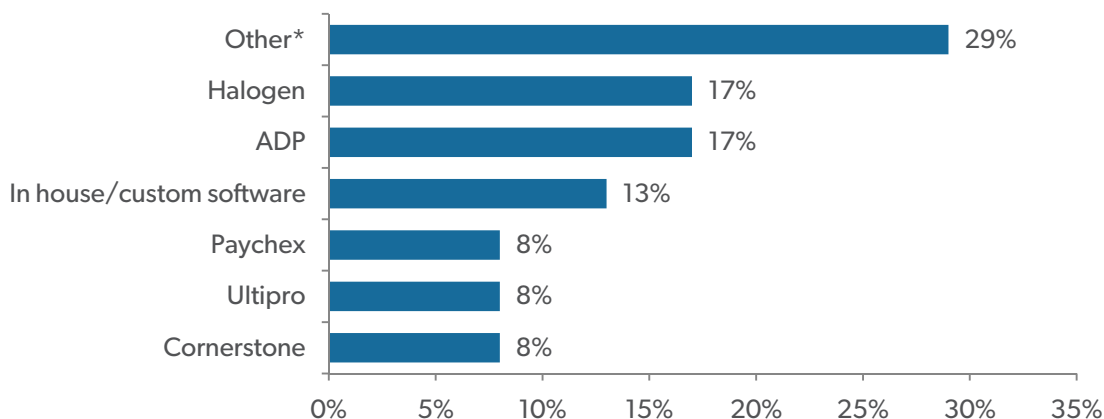
Online performance management systems are used at about 30% of participating organizations. These systems are most commonly used for performance review administration (17%). More specifically, these online systems are used for tracking/monitoring performance and goal setting/cascading goals. Other functionalities utilized primarily focused on storing documentation of the performance review and associated files.

**Figure 26 | Does your organization use an online performance management system to do any of the following?**



Twenty-four organizations reported the name of the performance management technology system that they use. Halogen and ADP were most common, both at 17%. Other software products listed are reported below.

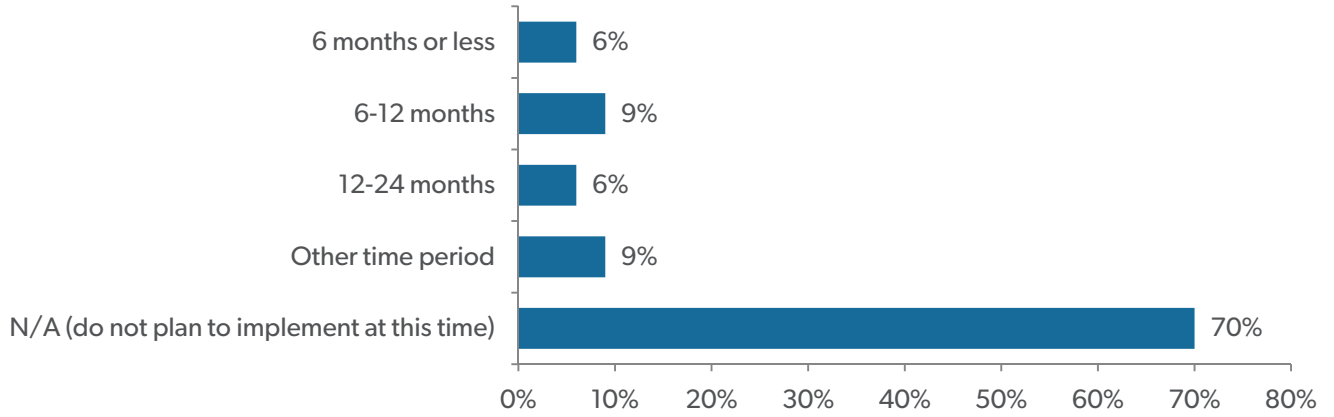
**Figure 27 | If your organization uses a performance management technology system please specify the name.**



\* N=1 for each: ReviewSnap; HRN Performance Pro; Performsmart by Insperty; Paycor; Functionality within Workday Human Capital Management SaaS; Survey Monkey; Success Factors

Of organizations without a performance management technology solution in place, 30% have plans to implement one at some point in the future. Six percent of these organizations plan to do so within the next 6 months.

**Figure 28 | If your organization is not currently using a performance management technology solution how soon does your organization plan to implement one?**





# Respondent Demographics

One-hundred (100) organizations in Northeast Ohio participated in the survey; a breakdown of the industries and sizes they represent is provided below.

**Figure 29 | Respondent demographics by industry and organizational size**

	Percent
Industry	
Manufacturing	49%
Non-Manufacturing	40%
Non-Profit	11%
Organizational Size	
1-50	18%
51-200	50%
201-500	19%
Over 500	13%

# Participating Organizations

*Many thanks to the following organizations for their participation in this survey:*

1 EDI Source, Inc.  
A Raymond Tinnerman  
A-Brite Plating Company  
Aero Fluid Products  
AmeriMark Direct, LLC  
Bay Corporation  
Briteskies  
C.TRAC, Inc.  
Carlisle Brake and Friction  
CASNET  
CCG Automation, Inc.  
Chapman & Chapman, Inc.  
Chemical Associates of Illinois, Inc.  
ChromaScape, Inc.  
Cleveland Metroparks  
Cleveland SteelContainer  
Component Repair Technologies, Inc.  
Congregation of St. Joseph  
Cornwell Quality Tools Company  
Corporate Screening Services, Inc.  
Country Pure Foods  
CROWN Cork & Seal - Massillon  
Crystal Clinic  
Custom Products  
Cuyahoga County Board of Health  
De Nora Tech  
DRB Systems, Inc.  
Duramax Marine, LLC  
Empaco Equipment Corporation  
Enerco Group Inc  
Excelas, LLC  
Findaway World  
Firefighters Community Credit Union  
GLT Companies  
Greater Cleveland Food Bank  
Health Design Plus  
Hinkley Lighting  
Holden Arboretum  
ICI Metals, Inc.  
ID Images  
Joy Global (Joyo Mining Machinery)  
Kerr Lakeside Inc.  
Kinetico Incorporated  
Kobelco Stewart Bolling, Inc.  
Lanly Company  
LayerZero Power Systems, Inc.  
Majestic Steel USA  
Maloney + Novotny, LLC  
Medical Service Company  
Meister Media Worldwide  
Multi-Wing America  
Myers Industries, Inc.  
National Association of College Stores  
National Telephone Supply  
Nordson Corporation  
Northeast Ohio Medical University  
Northeast Ohio Regional Sewer District  
NSL Analytical Services, Inc.  
Oakwood Laboratories LLC  
OhioGuidestone  
Park Place Technologies  
PartsSource, Inc.  
Pearne & Gordon, LLP  
PRC Medical, LLC  
Project and Construction Services, Inc.  
Pyramyd Air Ltd.  
quasar energy group  
R.W. Beckett Corporation  
Radisphere National Radiology Group  
RBB Systems  
Riddell  
Ritrama, Inc.  
Robin Industries, Inc.  
Ross Environmental Services, Inc.  
Samsel Supply Co.  
STERIS  
Struers, Inc.  
Sutter O'Connell Co.  
Tap Packaging Solutions  
Technical Consumer Products aka TCP  
The Centers for Families and Children  
The Cleveland Museum of Natural History  
The Cleveland Orchestra  
The Pattie Group, Inc.  
TMG Performance Products, LLC  
Towlift, Inc.  
Transfer Express  
Truline Industries, Inc.  
Tylok International, Inc.  
United Disability Services  
United Initiators  
Wayne Homes  
Weltman, Weinberg & Reis Co., LPA  
Wheeler-Rex  
Whirlaway Corporation  
Willoughby Supply Company  
Winter Equipment Company, Inc.  
Wrayco, LLC

## Appendix A: Industry & Organizational Size Breakouts

Due to the quantity of differences in survey responses by industry and organizational size, the following breakouts are provided for each question.

**Figure 1a | What activities are featured in your performance management program?**

	Individual performance evaluation	PIP	Performance goal setting	IDP	Rewards & recognition	Feedback/coaching	Developmental goal setting
All Organizations	100%	94%	96%	90%	87%	93%	87%
Industry							
Manufacturing	100%	96%	94%	90%	90%	92%	88%
Non-Manufacturing	100%	90%	98%	90%	90%	95%	88%
Non-Profit	100%	100%	100%	91%	64%	91%	82%
Organizational Size							
1-50	100%	83%	94%	89%	94%	100%	83%
51-200	100%	94%	94%	86%	80%	90%	80%
201-500	100%	100%	100%	95%	95%	100%	100%
Over 500	100%	100%	100%	100%	92%	85%	100%

	Performance management training	Self-appraisal	Mid-year review	360	Team performance evaluation	Peer review	Performance evaluation post-introduction period
All Organizations	81%	74%	50%	35%	34%	26%	81%
Industry							
Manufacturing	78%	67%	57%	37%	37%	24%	76%
Non-Manufacturing	85%	78%	45%	33%	35%	28%	88%
Non-Profit	82%	91%	36%	36%	18%	27%	82%
Organizational Size							
1-50	78%	56%	39%	33%	33%	22%	72%
51-200	74%	70%	44%	34%	34%	28%	80%
201-500	89%	89%	63%	42%	42%	32%	89%
Over 500	100%	92%	69%	31%	23%	15%	85%

**Figure 2a | What activities are featured in your performance management program and how frequently do they occur?**

## Individual performance evaluation

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	75%	17%	2%	4%	5%	2%	0%
Industry							
Manufacturing	73%	18%	2%	8%	6%	0%	0%
Non-Manufacturing	73%	18%	3%	0%	5%	5%	0%
Non-Profit	91%	9%	0%	0%	0%	0%	0%
Organizational Size							
1-50	78%	6%	11%	6%	6%	6%	0%
51-200	72%	16%	0%	4%	6%	2%	0%
201-500	84%	16%	0%	0%	5%	0%	0%
Over 500	69%	38%	0%	8%	0%	0%	0%

## Performance improvement plans

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	15%	2%	1%	5%	68%	2%	6%
Industry							
Manufacturing	20%	2%	2%	0%	71%	0%	4%
Non-Manufacturing	10%	3%	0%	8%	63%	5%	10%
Non-Profit	9%	0%	0%	18%	73%	0%	0%
Organizational Size							
1-50	33%	0%	0%	6%	39%	0%	17%
51-200	10%	0%	0%	4%	76%	2%	6%
201-500	16%	5%	0%	5%	79%	0%	0%
Over 500	8%	8%	8%	8%	62%	8%	0%

## Performance goal setting

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	66%	7%	2%	13%	7%	2%	4%
Industry							
Manufacturing	65%	4%	2%	12%	10%	0%	6%
Non-Manufacturing	63%	10%	3%	15%	5%	5%	3%
Non-Profit	82%	9%	0%	9%	0%	0%	0%
Organizational Size							
1-50	50%	6%	6%	17%	6%	6%	6%
51-200	60%	10%	2%	12%	6%	2%	6%
201-500	79%	0%	0%	16%	11%	0%	0%
Over 500	92%	8%	0%	8%	8%	0%	0%

## Individual development plans

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	28%	6%	1%	11%	39%	1%	10%
Industry							
Manufacturing	29%	2%	2%	10%	47%	0%	10%
Non-Manufacturing	28%	13%	0%	13%	30%	3%	10%
Non-Profit	27%	0%	0%	9%	36%	0%	9%
Organizational Size							
1-50	22%	0%	0%	22%	33%	6%	11%
51-200	32%	8%	0%	8%	34%	0%	14%
201-500	16%	5%	0%	11%	58%	0%	5%
Over 500	38%	8%	8%	8%	38%	0%	0%

## Reward and recognition

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	15%	1%	5%	39%	18%	3%	13%
Industry							
Manufacturing	12%	2%	4%	35%	29%	4%	10%
Non-Manufacturing	20%	0%	8%	45%	10%	3%	10%
Non-Profit	9%	0%	0%	36%	0%	0%	36%
Organizational Size							
1-50	17%	0%	11%	33%	11%	11%	6%
51-200	8%	0%	4%	44%	16%	0%	20%
201-500	5%	5%	5%	42%	26%	5%	5%
Over 500	54%	0%	0%	23%	23%	0%	8%

## Feedback/coaching

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	13%	4%	2%	37%	40%	2%	7%
Industry							
Manufacturing	12%	4%	2%	29%	51%	2%	8%
Non-Manufacturing	13%	5%	3%	48%	25%	3%	5%
Non-Profit	18%	0%	0%	36%	45%	0%	9%
Organizational Size							
1-50	17%	0%	0%	44%	44%	0%	0%
51-200	12%	4%	2%	34%	34%	2%	10%
201-500	5%	0%	0%	32%	58%	0%	0%
Over 500	23%	15%	8%	46%	31%	8%	15%

## Developmental goal setting

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	45%	2%	1%	10%	20%	2%	13%
Industry							
Manufacturing	45%	4%	2%	4%	20%	2%	12%
Non-Manufacturing	48%	0%	0%	18%	20%	3%	13%
Non-Profit	36%	0%	0%	9%	18%	0%	18%
Organizational Size							
1-50	33%	0%	6%	17%	6%	6%	17%
51-200	44%	4%	0%	10%	14%	2%	20%
201-500	42%	0%	0%	11%	37%	0%	0%
Over 500	69%	0%	0%	0%	38%	0%	0%

## Performance management training

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	24%	2%	2%	13%	22%	14%	19%
Industry							
Manufacturing	16%	2%	0%	12%	18%	18%	22%
Non-Manufacturing	30%	3%	5%	18%	23%	10%	15%
Non-Profit	36%	0%	0%	0%	36%	9%	18%
Organizational Size							
1-50	11%	0%	0%	6%	22%	17%	22%
51-200	26%	2%	0%	10%	24%	10%	26%
201-500	21%	0%	11%	21%	16%	26%	11%
Over 500	38%	8%	0%	23%	23%	8%	0%

## Self appraisal

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	48%	14%	0%	3%	2%	1%	26%
Industry							
Manufacturing	41%	14%	0%	4%	2%	0%	33%
Non-Manufacturing	53%	13%	0%	3%	3%	3%	23%
Non-Profit	64%	18%	0%	0%	0%	0%	9%
Organizational Size							
1-50	39%	0%	0%	6%	0%	0%	44%
51-200	36%	16%	0%	4%	4%	2%	30%
201-500	74%	11%	0%	0%	0%	0%	11%
Over 500	69%	31%	0%	0%	0%	0%	8%

## Mid-year review

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	18%	9%	0%	2%	9%	1%	50%
Industry							
Manufacturing	24%	8%	0%	4%	8%	2%	43%
Non-Manufacturing	10%	13%	0%	0%	13%	0%	55%
Non-Profit	18%	0%	0%	0%	0%	0%	64%
Organizational Size							
1-50	11%	0%	0%	0%	11%	0%	61%
51-200	18%	8%	0%	4%	4%	2%	56%
201-500	5%	21%	0%	0%	21%	0%	37%
Over 500	46%	8%	0%	0%	8%	0%	31%



## 360 feedback

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	6%	1%	1%	2%	10%	3%	65%
Industry							
Manufacturing	8%	0%	0%	2%	10%	6%	63%
Non-Manufacturing	5%	3%	3%	3%	10%	0%	68%
Non-Profit	0%	0%	0%	0%	9%	0%	64%
Organizational Size							
1-50	6%	0%	0%	0%	11%	0%	67%
51-200	8%	2%	0%	4%	8%	0%	66%
201-500	5%	0%	5%	0%	11%	5%	58%
Over 500	0%	0%	0%	0%	15%	15%	69%

## Team performance evaluation

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	6%	1%	3%	7%	6%	1%	66%
Industry							
Manufacturing	6%	2%	2%	4%	10%	2%	63%
Non-Manufacturing	8%	0%	5%	13%	3%	0%	65%
Non-Profit	0%	0%	0%	0%	0%	0%	82%
Organizational Size							
1-50	6%	0%	6%	0%	6%	6%	67%
51-200	2%	0%	2%	12%	6%	0%	66%
201-500	16%	0%	5%	5%	11%	0%	58%
Over 500	8%	8%	0%	0%	0%	0%	77%

## Peer review

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	2%	0%	0%	5%	5%	2%	74%
Industry							
Manufacturing	2%	0%	0%	4%	4%	2%	76%
Non-Manufacturing	3%	0%	0%	8%	5%	3%	73%
Non-Profit	0%	0%	0%	0%	9%	0%	73%
Organizational Size							
1-50	0%	0%	0%	0%	6%	0%	78%
51-200	2%	0%	0%	8%	6%	0%	72%
201-500	5%	0%	0%	5%	0%	11%	68%
Over 500	0%	0%	0%	0%	8%	0%	85%

## Performance review following introductory period

	Annually	Bi-annually	Quarterly	On-going	As needed	Less often than annually	Not used
All Organizations	15%	6%	10%	13%	26%	6%	19%
Industry							
Manufacturing	16%	8%	4%	12%	31%	2%	24%
Non-Manufacturing	10%	5%	15%	15%	25%	13%	13%
Non-Profit	27%	0%	18%	9%	9%	0%	18%
Organizational Size							
1-50	17%	0%	0%	17%	28%	11%	28%
51-200	14%	2%	16%	10%	26%	6%	20%
201-500	11%	11%	11%	26%	21%	5%	11%
Over 500	23%	23%	0%	0%	31%	0%	15%

**Figure 3a | Which of the following best describes the format of your organization's annual performance evaluation?**

	Numeric rating	Comments/ summaries	Goal setting/ MBOs	Competency -based	Customized form	Forced ranking	Multi-rater (360)
All Organizations	49%	66%	50%	32%	15%	10%	4%
Industry							
Manufacturing	35%	65%	49%	31%	12%	12%	2%
Non-Manufacturing	63%	73%	50%	35%	20%	8%	8%
Non-Profit	64%	45%	55%	27%	9%	9%	0%
Organizational Size							
1-50	28%	78%	39%	17%	17%	11%	0%
51-200	46%	68%	54%	32%	16%	8%	8%
201-500	63%	68%	47%	32%	16%	16%	0%
Over 500	69%	38%	54%	54%	8%	8%	0%

**Figure 4a | If numeric ratings are used, what type of scale is employed?**

	2-point	3-point	4-point	5-point	6-point	10-point
All Organizations	0%	6%	19%	67%	2%	6%
Industry						
Manufacturing	0%	12%	24%	53%	6%	6%
Non-Manufacturing	0%	4%	12%	76%	0%	8%
Non-Profit	0%	0%	33%	67%	0%	0%
Organizational Size						
1-50	0%	20%	0%	60%	0%	20%
51-200	0%	0%	17%	74%	0%	9%
201-500	0%	17%	25%	50%	8%	0%
Over 500	0%	0%	25%	75%	0%	0%

**Figure 5a | Are all employees evaluated using the same performance evaluation form?**

	Yes	No
All Organizations	58%	42%
Industry		
Manufacturing	55%	45%
Non-Manufacturing	53%	48%
Non-Profit	91%	9%
Organizational Size		
1-50	67%	33%
51-200	60%	40%
201-500	47%	53%
Over 500	54%	46%

**Figure 6a | What employees receive different evaluations?**

	Management/ non-management	Job specific	Exempt/ non-exempt	Office/ production	Non-exempt/ exempt/ management	Supervisor discretion	Management & sales	Other
All Organizations	12%	29%	31%	5%	7%	5%	5%	7%
Industry								
Manufacturing	9%	23%	45%	0%	9%	9%	5%	0%
Non-Manufacturing	16%	37%	16%	11%	5%	0%	5%	11%
Non-Profit	0%	0%	0%	0%	0%	0%	0%	100%
Organizational Size								
1-50	33%	33%	0%	0%	17%	17%	0%	0%
51-200	15%	35%	25%	5%	0%	5%	10%	5%
201-500	0%	10%	60%	10%	10%	0%	0%	10%
Over 500	0%	33%	33%	0%	17%	0%	0%	17%

**Figure 7a | When does the employee see their supervisor's completed performance evaluation?**

	Prior to the meeting/discussion of the evaluation	During the meeting/discussion of the evaluation	After the meeting/discussion of the evaluation
All Organizations	9%	86%	5%
Industry			
Manufacturing	6%	90%	4%
Non-Manufacturing	8%	85%	8%
Non-Profit	27%	73%	0%
Organizational Size			
1-50	0%	100%	0%
51-200	10%	84%	6%
201-500	16%	79%	5%
Over 500	8%	85%	8%

**Figure 8a | Who approves performance evaluations?**

	Supervisor only	1 level up	2 levels up	Human resources	Other
All Organizations	34%	48%	11%	43%	13%
Industry					
Manufacturing	29%	59%	14%	45%	10%
Non-Manufacturing	38%	35%	5%	45%	15%
Non-Profit	45%	45%	18%	27%	18%
Organizational Size					
1-50	39%	39%	11%	22%	11%
51-200	42%	42%	10%	50%	14%
201-500	26%	53%	16%	42%	11%
Over 500	8%	77%	8%	46%	15%

**Figure 9a | If your organization uses performance improvement plans, what is included?**

	Employee signature	Supervisor signature	Expected behaviors or results	Activities to be conducted	Target date for improvement	Date(s) to review progress	Progress at review date	Key metrics/measurements	Other
All Organizations	84%	83%	86%	83%	84%	69%	51%	50%	3%
Industry									
Manufacturing	84%	84%	88%	82%	86%	67%	53%	49%	4%
Non-Manufacturing	80%	78%	80%	80%	78%	65%	40%	45%	3%
Non-Profit	100%	100%	100%	100%	100%	91%	82%	73%	0%
Organizational Size									
1-50	67%	67%	67%	67%	61%	56%	33%	33%	0%
51-200	86%	84%	88%	84%	88%	72%	52%	44%	0%
201-500	84%	84%	89%	84%	84%	58%	53%	58%	11%
Over 500	100%	100%	100%	100%	100%	92%	69%	85%	8%

**Figure 10a | If your organization uses employee self-appraisals, do employees and supervisors fill out the same evaluation form?**

	Yes	No
All Organizations	61%	39%
Industry		
Manufacturing	54%	46%
Non-Manufacturing	62%	38%
Non-Profit	78%	22%
Organizational Size		
1-50	57%	43%
51-200	71%	29%
201-500	54%	46%
Over 500	45%	55%

**Figure 11a | If your organization uses a self-appraisal, what are employees asked to assess?**

	Accomplish /strengths	Goal progress	Competencies	Areas for improve/ weakness	Future goals	T&D	Job perform	Major job responsibilities	Organization mission	Job satisfaction	Supervisor support	Other
All Organizations	22%	15%	19%	9%	17%	14%	7%	3%	5%	7%	5%	5%
Industry												
Manufacturing	25%	13%	17%	8%	13%	8%	4%	0%	8%	13%	0%	4%
Non-Manufacturing	20%	19%	24%	4%	24%	24%	12%	8%	4%	0%	4%	8%
Non-Profit	22%	11%	11%	22%	11%	0%	0%	0%	0%	11%	22%	0%
Organizational Size												
1-50	14%	14%	0%	0%	14%	0%	14%	0%	0%	0%	14%	0%
51-200	21%	14%	14%	7%	21%	18%	11%	7%	11%	4%	0%	7%
201-500	17%	8%	17%	8%	8%	0%	0%	0%	0%	8%	8%	0%
Over 500	36%	27%	45%	18%	18%	27%	0%	0%	0%	18%	9%	9%

**Figure 12a | If self-appraisals are used, when does the supervisor first see the employee's completed self-appraisal?**

	Prior to writing his/her performance evaluation of the employee	After writing his/her performance evaluation of the employee	During the performance evaluation discussion
All Organizations	66%	10%	24%
Industry			
Manufacturing	71%	4%	25%
Non-Manufacturing	60%	13%	27%
Non-Profit	67%	22%	11%
Organizational Size			
1-50	33%	22%	44%
51-200	63%	10%	27%
201-500	75%	6%	19%
Over 500	83%	8%	8%

**Figure 13a | Are any of the following groups consulted on the performance management process and design?**

	HR representatives	Senior managers or executives	Managers & supervisors	Staff representatives from cross-section of departments	External consultants	All employees who desire to take part in the process	Other
All Organizations	75%	68%	47%	9%	7%	5%	5%
Industry							
Manufacturing	73%	67%	41%	6%	2%	0%	2%
Non-Manufacturing	80%	70%	60%	8%	10%	10%	5%
Non-Profit	64%	64%	27%	27%	18%	9%	18%
Organizational Size							
1-50	50%	56%	61%	0%	11%	11%	6%
51-200	80%	74%	46%	4%	6%	2%	4%
201-500	79%	58%	42%	16%	5%	5%	5%
Over 500	85%	77%	38%	31%	8%	8%	8%

**Figure 14a | Who sets the performance criteria for employees?**

	Supervisors	Mutual (supervisor & employee)	Senior managers	Human resources	Cross-section of staff representatives	Each employee sets their own requirements	Other
All Organizations	63%	27%	34%	35%	2%	3%	1%
Industry							
Manufacturing	63%	29%	45%	37%	0%	4%	0%
Non-Manufacturing	65%	28%	23%	35%	5%	3%	3%
Non-Profit	55%	18%	27%	27%	0%	0%	0%
Organizational Size							
1-50	67%	22%	44%	22%	0%	0%	6%
51-200	60%	20%	32%	44%	2%	4%	0%
201-500	79%	26%	32%	21%	0%	0%	0%
Over 500	46%	62%	31%	38%	8%	8%	0%



**Figure 15a | Who sets the goals for employees?**

	Supervisors	Mutual (supervisor & employee)	Senior managers	Human resources	Cross-section of staff representatives	Each employee sets their own requirements
All Organizations	59%	53%	27%	8%	0%	4%
Industry						
Manufacturing	61%	49%	37%	6%	0%	6%
Non-Manufacturing	60%	55%	18%	10%	0%	3%
Non-Profit	45%	64%	18%	9%	0%	0%
Organizational Size						
1-50	56%	56%	22%	11%	0%	0%
51-200	62%	52%	28%	8%	0%	6%
201-500	63%	47%	21%	0%	0%	5%
Over 500	46%	62%	38%	15%	0%	0%

**Figure 16a | What key performance criteria does your organization assess?**

	Quality of work	Job knowledge/ job specific competencies	Quantity of work/ productivity	Attitude/ professionalism	Teamwork/ cooperation	Achievement of goals	Attendance	Communication
All Organizations	83%	84%	75%	71%	78%	77%	59%	62%
Industry								
Manufacturing	86%	88%	82%	73%	84%	80%	69%	55%
Non-Manufacturing	83%	83%	70%	75%	70%	75%	53%	68%
Non-Profit	73%	73%	64%	45%	82%	73%	36%	73%
Organizational Size								
1-50	89%	100%	67%	78%	78%	72%	44%	61%
51-200	80%	76%	76%	70%	76%	72%	62%	64%
201-500	79%	89%	79%	68%	89%	84%	68%	53%
Over 500	92%	85%	77%	69%	69%	92%	54%	69%

	Dependability /reliability	Initiative	Adaptability /flexibility	Leadership competencies	Key performance indicators	Motivation	Safety	Core/ cultural values	Learning/ skill develop targets	Other
All Organizations	69%	66%	53%	54%	52%	43%	49%	45%	38%	14%
Industry										
Manufacturing	69%	59%	57%	49%	51%	43%	65%	43%	39%	10%
Non-Manufacturing	70%	73%	50%	53%	55%	48%	38%	45%	40%	15%
Non-Profit	64%	73%	45%	82%	45%	27%	18%	55%	27%	27%
Organizational Size										
1-50	61%	61%	50%	50%	33%	56%	33%	56%	39%	17%
51-200	78%	68%	56%	52%	64%	46%	44%	36%	36%	16%
201-500	63%	68%	47%	53%	32%	26%	68%	42%	32%	11%
Over 500	54%	62%	54%	69%	62%	38%	62%	69%	54%	8%

**Figure 17a | What is the average number of criteria against which an employee is evaluated on his/her performance evaluation?**

	1-3	4-6	7-9	10-12	13-16	17-19	20+
All Organizations	0%	30%	20%	35%	11%	1%	4%
Industry							
Manufacturing	0%	36%	19%	31%	10%	2%	2%
Non-Manufacturing	0%	20%	20%	40%	13%	0%	7%
Non-Profit	0%	33%	22%	33%	11%	0%	0%
Organizational Size							
1-50	0%	36%	21%	29%	7%	0%	7%
51-200	0%	23%	18%	40%	13%	3%	5%
201-500	0%	60%	20%	13%	7%	0%	0%
Over 500	0%	8%	25%	50%	17%	0%	0%

**Figure 18a | What training do supervisors receive in performance management?**

	Performance evaluation discussion	Performance documentation	Performance coaching	Goal setting	PIPs	Discipline	No training	Developmental coaching	IDPs	Reward & Recognition	Rater training	Other
All Organizations	60%	59%	38%	41%	37%	24%	19%	18%	19%	17%	18%	4%
Industry												
Manufacturing	51%	49%	35%	29%	37%	20%	24%	18%	22%	8%	18%	6%
Non-Manufacturing	63%	63%	40%	48%	35%	35%	18%	18%	13%	25%	18%	3%
Non-Profit	91%	91%	45%	73%	45%	0%	0%	18%	27%	27%	18%	0%
Organizational Size												
1-50	28%	17%	17%	6%	6%	6%	50%	17%	6%	0%	0%	0%
51-200	68%	64%	42%	46%	44%	26%	14%	16%	24%	20%	16%	6%
201-500	58%	68%	53%	37%	37%	32%	16%	26%	11%	16%	32%	5%
Over 500	77%	85%	31%	77%	54%	31%	0%	15%	31%	31%	31%	0%

**Figure 19a | What role do your supervisors play in managing employee performance?**

	Conducting performance review discussion	Documenting performance	On-going feedback/coaching	Recognizing good performance	Setting performance expectations	Improving performance
All Organizations	88%	87%	88%	78%	85%	71%
Industry						
Manufacturing	90%	84%	88%	82%	86%	76%
Non-Manufacturing	85%	90%	90%	73%	85%	65%
Non-Profit	91%	91%	82%	82%	82%	73%
Organizational Size						
1-50	83%	72%	89%	78%	89%	67%
51-200	88%	94%	92%	80%	82%	68%
201-500	89%	89%	79%	79%	89%	84%
Over 500	92%	77%	85%	69%	85%	69%

**Figure 20a | Please explain the process by which your organization deals with below standard performance.**

	PIP	Formal discipline	Meeting with the supervisor	Coaching/counseling	Training	Reassignment of job/duties	Other process
All Organizations	73%	34%	30%	21%	17%	4%	3%
Industry							
Manufacturing	70%	27%	22%	16%	16%	5%	5%
Non-Manufacturing	71%	39%	39%	29%	18%	4%	0%
Non-Profit	100%	50%	33%	17%	17%	0%	0%
Organizational Size							
1-50	45%	27%	45%	36%	27%	9%	9%
51-200	74%	33%	33%	18%	15%	3%	3%
201-500	83%	50%	25%	17%	17%	8%	0%
Over 500	89%	22%	0%	22%	11%	0%	0%

**Figure 21a | Does your organization's performance management system experience any of the following challenges?**

	Failure of supervisors to provide on-going feedback	Inconsistent performance documentation by supervisors	Inconsistency with ratings	Lack of employee accountability for meeting goals or performance
All Organizations	61%	65%	40%	38%
Industry				
Manufacturing	61%	59%	31%	47%
Non-Manufacturing	63%	73%	48%	33%
Non-Profit	55%	64%	55%	18%
Organizational Size				
1-50	44%	67%	22%	28%
51-200	60%	64%	34%	42%
201-500	68%	63%	63%	47%
Over 500	77%	69%	54%	23%

	Inconsistent application of system by supervisors	Poor linkages of performance management system to other HR practices	Poorly designed evaluation form (i.e. inaccurately measures performance)	Other
All Organizations	36%	13%	14%	6%
Industry				
Manufacturing	35%	18%	14%	8%
Non-Manufacturing	38%	8%	13%	5%
Non-Profit	36%	9%	18%	0%
Organizational Size				
1-50	44%	17%	17%	0%
51-200	26%	14%	16%	8%
201-500	47%	16%	5%	11%
Over 500	46%	0%	15%	0%

**Figure 22a | How are executives' performance evaluated?**

	Executive performance is not evaluated		Working with the board		Leadership/managerial competency		Execution of business strategy		Financial management		Performance targets/objectives		Relationships with key stakeholders	
	CEO	Other Exec	CEO	Other Exec	CEO	Other Exec	CEO	Other Exec	CEO	Other Exec	CEO	Other Exec	CEO	Other Exec
All Organizations	55%	12%	28%	14%	18%	49%	22%	43%	30%	36%	15%	57%	14%	28%
Industry														
Manufacturing	53%	7%	37%	14%	28%	47%	28%	44%	35%	40%	35%	60%	16%	28%
Non-Manufacturing	59%	18%	21%	10%	8%	49%	8%	38%	28%	26%	28%	46%	10%	28%
Non-Profit	50%	10%	20%	30%	20%	60%	20%	60%	20%	60%	20%	80%	20%	30%
Organizational Size														
1-50	61%	22%	6%	6%	11%	50%	11%	44%	28%	28%	28%	67%	0%	33%
51-200	68%	9%	32%	9%	18%	48%	18%	43%	30%	30%	30%	57%	20%	23%
201-500	41%	18%	24%	29%	18%	53%	18%	41%	24%	53%	24%	47%	6%	41%
Over 500	23%	0%	54%	23%	31%	46%	31%	46%	46%	46%	46%	54%	23%	23%

**Figure 23a | If executives' performance is evaluated, by whom?**

	CEO/president	Board of directors	Upper level management	Ownership	360 evaluation	Other
All Organizations	54%	14%	8%	10%	1%	2%
Industry						
Manufacturing	60%	12%	5%	11%	2%	2%
Non-Manufacturing	44%	10%	10%	10%	0%	0%
Non-Profit	64%	40%	10%	0%	0%	10%
Organizational Size						
1-50	56%	0%	6%	11%	0%	0%
51-200	51%	14%	7%	11%	2%	2%
201-500	53%	12%	6%	12%	0%	0%
Over 500	62%	38%	15%	0%	0%	8%

**Figure 24a | Are performance evaluation results or scores tied to compensation?**

	Yes	No
All Organizations	62%	38%
Industry		
Manufacturing	60%	40%
Non-Manufacturing	65%	35%
Non-Profit	55%	45%
Organizational Size		
1-50	56%	44%
51-200	54%	46%
201-500	67%	33%
Over 500	92%	8%

**Figure 25a | How are performance evaluation results or scores tied to compensation?**

	Ratings	Overall performance	Informal	Goals	Matrix/grid
All Organizations	56%	20%	7%	2%	15%
Industry					
Manufacturing	45%	27%	14%	5%	9%
Non-Manufacturing	79%	7%	0%	0%	14%
Non-Profit	40%	20%	0%	0%	40%
Organizational Size					
1-50	71%	0%	29%	0%	0%
51-200	53%	16%	5%	5%	21%
201-500	33%	50%	0%	0%	17%
Over 500	67%	22%	0%	0%	11%

**Figure 26a | Does your organization use an online performance management system to do any of the following?**

	Performance review administration	Goal setting/cascading goals	Tracking/monitoring performance	Competency management	Development planning	360 Feedback	Other
All Organizations	17%	11%	15%	8%	8%	5%	6%
Industry							
Manufacturing	16%	12%	12%	10%	10%	4%	8%
Non-Manufacturing	13%	10%	15%	3%	5%	8%	5%
Non-Profit	36%	9%	27%	18%	9%	0%	0%
Organizational Size							
1-50	6%	6%	6%	0%	0%	0%	6%
51-200	14%	8%	12%	8%	4%	4%	4%
201-500	16%	5%	5%	5%	5%	5%	5%
Over 500	46%	38%	54%	23%	38%	15%	15%

**Figure 28a | If your organization is not currently using a performance management technology solution how soon does your organization plan to implement one?**

	6 months or less	6-12 months	12-24 months	Other time period	N/A (do not plan to implement)
All Organizations	6%	9%	6%	70%	9%
Industry					
Manufacturing	8%	8%	0%	74%	10%
Non-Manufacturing	6%	11%	14%	66%	3%
Non-Profit	0%	0%	0%	67%	33%
Organizational Size					
1-50	6%	6%	0%	83%	6%
51-200	5%	3%	11%	73%	8%
201-500	6%	17%	6%	56%	17%
Over 500	14%	29%	0%	57%	0%



# Appendix B: Numeric Rating Scales

0-2 Does Not Satisfy Expectations  
 3-4 Partially Satisfies Expectations  
 5-6 Meets Expectations  
 7-8 Partially Exceeds Expectations  
 9-10 Exceptional Job Performance

1=Do Not Meet Expectations  
 2=Below Expectations  
 3=Meets Expectations  
 4=Above Expectations  
 5=Exceedingly Above Expectations

1 - Does Not Meet Expectations  
 2 - Partially Meets Expectations  
 3 - Meets  
 4 - Exceeds  
 5 - Far Exceeds

1=Does Not Meet  
 2=Meets  
 3=Exceeds

0= Unacceptable  
 1= Poor  
 2= Need Work  
 3= Acceptable  
 4= Good  
 5= Excellent

1= Unsatisfactory  
 2= Needs Improvement  
 3= Meets Expectations  
 4= Exceeds Expectations  
 5= Outstanding

5 = Exceptional -- Highest level of performance against defined standard/competency, AND serves as a Role Model for others; coaches, trains, mentors others in the competency. Provide specific example(s) in the comments section for that competency.  
 4 = Above Average -- High level of performance against defined standard/competency; is recognized as being highly skilled in the competency as an individual contributor. Almost always performs above expectations for the role. Contributes at a high level as an individual and as a member of a team  
 3 = Competent -- Regularly meets [Company Name's] standards of performance against defined standard/competency. May from time to time exceed or fall just under expectations. Generally contributes at an individual level and at a team level.  
 2 = Needs Improvement -- Does not consistently meet [Company Name's] standards of performance against defined standard/competency. Still developing this competency (e.g. new in role) and there is an expectation that they can achieve desired results or performance has declined from previous acceptable levels.  
 1 = Underperforming -- Underperforming against defined standard/competency. This rating implies serious reservations about the employee's ability or willingness to meet job objectives. Provide specific example(s) in the comments section for that competency.

1=Does not consistently meet expectations  
 2=Consistently meets expectations  
 3=Consistently exceeds expectations

1-Must Improve To Remain In Job  
 3-Meets All Requirements  
 5-Consistently Exceeds Requirements

5 - Exceeds expectations  
 3 - Meets expectations  
 1 - Below expectations

*Hourly Positions*

1=Unsatisfactory  
 2=Satisfactory  
 3=Good

4=Outstanding  
*Salaried Positions*

1=Outstanding  
 2=Excellent

3=Highly Effective  
 4=Good/Competent

5=Needs Slight Improvement  
 6=Corrective Action

1 - Less than acceptable, fails to meet requirements

2 - Acceptable, meets job requirements

3 - Good, clearly exceeds job requirements

4 - Optimum performance of job requirements

4 = Exceeds Expectations

3 = Meets Expectations

2 = Below Expectations

1 = Unsatisfactory

- 1 = Unacceptable - rarely meets expected performance levels. Continued employment is in jeopardy.
- 2 = Needs Improvement - Inconsistently meets expected performance levels.
- 3 = Proficient - Work is thorough and complete.
- 4 = Commendable - Regularly meets expected performance levels to ensure successful work completion.
- 5 = Exceptional - Always demonstrates commitment to excellence / exceeds expected performance levels.

*Salary*

- 5 = Outstanding
- 4 = Very Good
- 3 = Acceptable
- 2 = Needs Improvement
- 1 = Unacceptable

*Hourly*

- (For competencies)
- NI - Needs improvement
- A - Acceptable

*(For job skills)*

- L - Leadership
- NI - Needs improvement
- NQ - Not qualified (pre-training)
- C - Competent
- A - Accomplished

- 1. Does not meet expectations
- 2. Does not meet some expectations
- 3. Fully meets all expectations
- 4. Consistently exceeds in time, quality and scope most major expectations
- 5. Clearly exceeds all major expectations

- 1 - Unsatisfactory
- 2 - Need improvement
- 3 - Meets expectations
- 4 - Exceeds expectations
- 5 - Exemplary

- 1- Poor
- 2-Needs Improvement
- 3-Meets Expectations
- 4-Exceeds Expectations
- 5-Outstanding

- Exceeds
- Meets
- Does Not Meet

- 5 - Exceptional
- 4 - Highly Effective
- 3 - Proficient
- 2 - Inconsistent
- 1 - Unsatisfactory

- 1 - Unacceptable
- 2 - Needs improvement
- 3 - Meeting expectations
- 4 - Valued performer
- 5 - High performer

- 1 = Poor
- 2 = Needs Improvement
- 3 = Meets Expectations
- 4 = Exceeds Expectations
- 5 = Outstanding

*Performance Goals Scale*

- 1 - Never started or accomplished goal
- 2 - Almost accomplished goal
- 3 - Accomplished goal
- 4 - Met and somewhat exceeded goal
- 5 - Greatly exceeded goal

*Job Competency Scale*

- 1 - Never meets and often falls short of desired results
- 2 - Almost meets and often accomplishes desired results
- 3 - Accomplishes desired results
- 4 - Consistently meets and often exceeds desired results
- 5 - Greatly exceeds all desired results

- 1=Underperforming
- 2=Needs Improvement
- 3=Meets Expectations
- 4=Exceeds Expectations

- 1-3: Low
- 4-7: Satisfactory
- 8-10: High

- 1 - Poor
- 2 - Bad
- 3 - Good
- 4 - Excellent

- 1 - Does not meet requirement
- 3 - Meets requirements
- 5 - Exceeds requirements.

- 1-Unacceptable
- 2-Substandard
- 3-Average
- 4-Above Average
- 5-Outstanding

- 1 = Outstanding
- 2 = Above Average
- 3 = Normal
- 4 = Needs Improvement
- 5 = Unacceptable

- 1= Not Meeting Expectations
- 2= Performance Improvement Needed
- 3= Performance Meets Expectations
- 4= Above Average Performance
- 5= Exceptional Performance

Ineffective: Falls substantially short of expectations - Manager must prepare performance objectives to accompany these e-forms. The employee's performance will be reviewed again in 90 days.

Fair: Meets some expectations - Managers comments must address plan for improvement in specific section.

Good: Meets expectations; performance is consistent with company mission statement

Superior: Exceeds most expectations; goes above and beyond on a regular basis

1=Unsatisfactory  
2=Marginal Performance  
3=Meets Expectations  
4=Exceeds Expectations  
5=Truly Distinguished

5 = Has expert level skills & knowledge  
4 = Has strong skills and knowledge  
3 = Has sufficient skills and knowledge  
2 = Acquiring skills & knowledge. May need further training.  
1 = Does not possess the skills and knowledge

1 = Below Expectations  
2 = Partially Meets Expectations  
3 = Fully Meets Expectations  
4 = Exceeds Expectations

1 = Below Expectations  
2 = Partially Meets Expectations  
3 = Fully Meets Expectations  
4 = Performance Leader

1=Unsatisfactory  
2=Needs Improvement  
3=Meets Expectations  
4=Exceeds Expectations  
5=Consistently Exceeds Expectations

1=Developmental  
2=Competent  
3=Mastery

1 = Below requirements  
2 = Usually meets requirements  
3 = Meets requirements  
4 = Exceeds requirements

1- Unacceptable  
2- Below Expectations  
3- Meets Expectations  
4- Above Expectations  
5- Outstanding

1 - Needs immediate improvement  
2 - Stronger performance needed  
3 - Meets expectations  
4 - Exceeds expectations

5 – Outstanding Performance is exceptional in all areas.  
4 –Very Good Performance is of high quality and is achieved on a consistent basis.  
3 – Good Competent and dependable level of performance.  
2 – Improvement Needed – Performance is deficient in certain areas.  
1 – Unsatisfactory Results are generally unacceptable and require immediate improvement

5 – Exceptional-Role Model. Sought out for leadership, knowledge, and expertise. Outstanding achievement(s) in prior year.  
4 – Highly Effective-Describes the best performance(s) in the work group. Consistently high contribution level.  
3 – Fully Competent-Solid performance. Fully trained and fully effective. Major job requirements are met.  
2 – Developing-Requires additional assistance or supervision to successfully complete responsibilities. May be a new hire or recently promoted.  
1 – Improvement Required-Performs below minimum position requirements. Not Acceptable.

4 - Consistently exceeds expectations  
3 - Exceeds expectations  
2 - Meets expectations  
1 - Below expectations  
  
5 - Exceptional

4 - Exceeds expectations  
3 - Meets expectations  
2 - Below expectations  
1 - Needs improvement  
TNTR - Too new to rate

5 = Exemplary  
4 = Exceeds Expectation  
3 = Meets Expectation  
2 = Needs Improvement  
1= Does Not Meet Expectations

- 1 = Below expectations
  - 2 = Met some expectations
  - 3 = Meets expectations
  - 4 = Exceeds expectations
  - 5 = Outstanding performance
- 0-1.49 = Unacceptable  
 1.5-2.74 = Needs Development  
 2.75-3.74 = Rock Solid  
 3.75-4.74 = Fabulous  
 4.75-5 = Extraordinary

- 5 - Consistently Exceeds Expectations
  - 4 - Exceeds Expectations
  - 3 - Meets Expectations
  - 2 - Meets Some Expectations
  - 1 - Does not meet Developing in Position
- 1=poor  
 5=above Expectations

- 0 = No action taken to improve
  - 1 = Below expectations
  - 2 = Somewhat meets expectations
  - 3 = Meets expectations
  - 4 = More than meets expectations
  - 5 = Exceeds expectations
- 1 - Unsatisfactory  
 2 - Needs improvement  
 3 - Meets expectations  
 4 - Exceeds expectations  
 5 - Outstanding

- 5 = Distinguished Contributor - Performance consistently exceeds expectations and serves as a role model for the organization. Effects measurable and lasting improvements in organizational performance.
- 4 = Performance Improver - Performance frequently exceeds expectations. Considered above average performing in the organization. Enhances the performance of self and others. The quality of work is excellent.
- 3 = Valued Contributor - Performance consistently meets expectations in all essential areas of responsibility, at times exceeding expectations, and the quality of work overall was very good.
- 2 = Developing Contributor - Performance does not consistently meet expectations or reflects mixed performance: employees who do some things well but who need to strengthen other areas of their performance.
- 1 = Non-Contributor - Performance is consistently below expectations. This level suggests either a lack of willingness and/or ability to perform the requirements of the position. These employees are not meeting the expectations of their position.

Exceeds Expectations- 120% achieved SMART goal  
 Meets expectations- 80%- 100% achieved SMART goal  
 Needs Improvement- 80% - 70% achieved SMART goal  
 Does not meet expectations- less than 70 % achieved SMART goal- requires a Performance Improvement Plan

- 4 = Exceed
- 3 = Meets
- 2 = Inconsistent
- 1 = Unacceptable

- 10: Exceptional
- 9: Exceeds Expectations
- 7-8: Meets Requirements
- 4-6: Marginal
- 1-3: Unsatisfactory

- 5 = Outstanding
- 4 = Exceeds Standards
- 3 = Meets Standards
- 2 = Below Standards
- 5 = Unsatisfactory

- 5 = Outstanding: Consistently exceeds expectations for this job factor. Is recognized by peers and/or customers as a leader and positive example for others.
- 4 = Above Expectations: Consistently meets and occasionally exceeds expectations for this job factor.
- 3 = Meets Expectations: Consistently meets expectations for this job factor.
- 2 = Below Expectations: Occasionally fails to meet expectations for this job factor.
- 1 = Needs Improvement: Consistently fails to meet expectations for this job factor. Job performance improvement plan required

Improvement Required  
Learning  
Solid Contributing  
Exceeding  
Significantly Exceeding

1 = Unsatisfactory  
2 = Marginal  
3 = Meets Expectations  
4 = Exceeds Expectations  
5 = Exceptional

Needs improvement  
Meets  
Exceeds

*Salaried format*  
Exceeds = 2.6 +  
Successful = 1.6 - 2.5  
Partially Successful = 0 - 1.5  
*Hourly format*  
Exceeds = 3.6 - 4  
Successful = 2.8 - 3.4  
Partially Successful = 0 - 2.6

1 = Unsatisfactory  
2 = Needs Improvement  
3 = Meets Job Expectations  
4 = Exceeds Job Expectations  
5 = Outstanding

5 - Greatly exceeds expectations.  
4 - Exceeds expectations.  
3 - Meets expectations.  
2 - Partially satisfies expectations.  
1 - Fails to meet expectations.

# Appendix C: Self-Appraisal

*The following are what employees are asked to assess in organizations that give employee self-appraisals.*

- Open ended questions: Most significant contributions during the past performance appraisal period; how these achievements align with the organization's vision and team goals; skills/strengths that have helped them to achieve goals
- Competency ratings; Feedback on overall performance; Identification of developmental opportunities; Employees use the same appraisal as their supervisor
- Evaluate competencies on the same evaluation
- Employees provide commentary on how they have made the company better over the past year. Also, they provide input on goal-setting.
- Their progress on their goals.
- Hourly - are able to score themselves and make narrative comment. Salary - depending upon the leader - can write and score themselves and then review with leader
- Past 12 months and future 12 months: enhanced abilities and skills, contribution to department, education and development activities; education completed and any certifications. Employee and manager sign. Same form for all employees, including supervisor.
- Using the same review form as the manager, they bring a self-assessment to the meeting for discussion. However, their self-assessment is not turned in to management.
- Employee comments on his/her completed objectives for the year
- The employees do NOT use the same form as they supervisor. They are asked to comment on their progress toward goal completion from the previous year, what gets in the way, what else they need (support, resources, etc) and what goals they have for the upcoming year.
- How their performance relates back to the Core Values of our organization
- The employees are asked to assess their performance against our 5 Behaviors.
- Questions related to the following criteria: Customer Success; Staff Member Development; Teamwork; Job Knowledge; Innovation and Continuous Improvement; Problem Solving; Communication; Attendance
- Questions related to the following criteria: Competencies and Goals; Job/Planning; Innovation; Administrative Practices; Leadership; Communication
- Progress towards goals, values, and competencies.
- They are asked to evaluate themselves on their goals and competencies, using the same documents that their supervisor uses.
- Employees are given an opportunity to speak on supervisor feedback

- This is a separate form, called a year at a glance. The employee says what were the highlights of the year and what they could have done better. Along with what the supervisor could do to better assist the employee.
- Progress, Development Requests and Goals
- Employees use the same format as their supervisor, but also may include a list of their accomplishments, goals and wish lists for development.
- All skills and competencies
- Employees use a different form, which is a short questionnaire. They are asked to provide:
  - top successes and any misses or disappointments from the year
  - competency strengths and development areas
  - what would cause them to leave the company
  - development goals
- The employees are asked to complete the performance review form prior to their review meeting.
- Employees are given separate form from the appraisal. Employees are asked to assess their strengths, developmental areas, supervisor feedback, company feedback, suggestions and ideas.
- Most questions were competency base, general question did cover strengths and miss opportunities during the performance year. Training and development accomplishments. If they were given clear direction. What are their thoughts for the upcoming year.
- Self appraisal is the exact same as supervisors appraisal based on core competencies and SMART goals
- Accomplishment and challenges faced, like best/least about job, performance improvement opportunities, how supervisor can help, goals for the coming year.
- Employees are given the same evaluation form as the supervisor. They rate themselves and the supervisor rates them. during the actual review they compare notes to make sure everyone is on the same page.
- The goals and objectives we had, how we rate in accordance to the company's core values, and any general comments the employee has.
- How they did last year, how they want to improve, what goals that want to achieve
- We do a feedback form consisting of 3 questions:
  - List 3 accomplishments since the last evaluation period.
  - Employee is to list 1-2 goals for growth and development over the upcoming evaluation period.
  - Employee's additional comments, suggestions and/or goals for the upcoming evaluation period.
- Employees are to evaluate themselves on their attendance, what they have done above their normal job duties, if they have saved the company money, how they interact with their co-workers.

## Appendix D: Below Standard Performance

*The following are processes by which organizations deal with below standard performance.*

- Employees are verbally coached before going onto a written performance improvement plan. A PIP has specific goals/objectives to be achieved within a time frame and if those goals are not met, the employee's PIP may be extended or employment may be terminated.
- Employees are put on a Performance Improvement plan in which desired goals and behavior are set by management and employees respond with what they will do to reach the goals. Follow up dates are included.
- They are put on a "get well plan".
- Through 60-90 day performance improvement plans.
- Case by case.
- Conversations between the supervisor and employee with additional goal setting and expectations reviewed.
- An individual performance improvement plan is created and discussed with the employee. Progress is monitored over a pre-determined time frame.
- Define specific training and goals around the below standard performance. If the employee is not capable after six months of training to get an average rating; then their job is evaluated and if we can, we will place elsewhere in the organization.
- Examples of below standard performance are provided to the employee with coaching to address deficiencies; training is offered to improve performance; improvement plan is put in place with goals and targeted dates; ongoing coaching is provided; follow up meeting held to determine whether goals were met and if not, employee is terminated
- 90 day Performance Improvement Plan
- Performance Improvement Plan – Process
- Performance improvement plan with dates and very low or no increase in pay.
- The employee is placed on a performance improvement plan, typically 90 days, with defined outcomes and expectations.
- We put together a performance review process last chance agreement if it gets that far. Give the struggling employee more training. Schedule meetings with the supervisor once a week to check in to see how they are doing and what improvements have been made or need to be made.
- Supervisor/manager is coached in the development of a Performance Improvement Plan. The employee is then placed on this plan.
- This is when we begin the performance evaluation. Otherwise, we do not do evaluations.
- Performance documentations, and if needed progressive disciplinary action.
- Coaching, counseling, training, discipline



- Below at 2.5 rating, a Performance Improvement Plan is required.
- Performance Improvement Plan
- Employees are put on a plan, if no improvement then we terminate.
- Upon review the employee & supervisor assess performance & develop a plan to improve performance...time line is developed...training provided if needed...review at end of time period...
- Develop performance improvement plan.
- A discussion is had; identify if additional training is needed; performance improvement plan if no improvements after additional training.
- We have conversations with the employee, and work through the performance issues with the employee. If the performance does not improve, we will utilize a PIP to attempt to increase the performance.
- Performance improvement plans, coaching, extra training, warnings & progressive discipline
- Verbal - Written - Final Warnings; Performance Related - will now use EE Development
- Initial coaching and counseling; performance improvement plans, formal discipline as a final resort.
- Performance improvement plans
- Coaching/counseling, progressive discipline, PIP.
- Write-Up with possible termination if performance is not improved.
- Performance Improvement Plan
- Retraining Program
- In most cases we create a 'Performance Improvement Plan' to identify where the performance is falling below, and what the employee needs to do to improve the performance, the timeline that is being given, the process for the PIP, and KPIs so the employee can measure how they are coming with their improvement plan.
- We develop a performance improvement plan for the employee.
- The organization will provide a combination of verbal and written communications to an employee that is performing below standard. If the performance does not improve, an Performance Improvement Plan, would be initiated and enforced.
- Employees are provided with a Performance Improvement plan which explain the concern with current performance, plan to improve performance that meets expectations and consequences should employee not meet the terms of the plan.
- If a manager rates an employee as 'ineffective' or 'fair' the manager must prepare performance objectives to accompany these e-forms. The employee's performance will be reviewed again in 90 days.
- Employee is put on a PIP, they have 30-days to improve. If there isn't improvement in 30-days they're terminated.

- Any employee who is rated a '1' is required to be put on a Performance Improvement Plan facilitated by HR and their immediate supervisor. Any employee rated a '2' is encouraged to be put on a PIP, but not required.
- Employees that are below standard performance are placed on an Individual Development Plan (IDP). They are then reevaluated at the end of the process and assessed at that point.
- Documented discussion of areas needing improvement; 2. Coaching to help employee improve; 3. Constant follow up with employee to monitor progress or lack of progress.
- Develop performance improvement plans for low performers focusing on areas below expectations with clear actions to improve in a period of 3-4 months.
- The supervisor, with assistance from Human Resources, develops performance improvement plan.
- We have a performance trend section where supervisors indicate one of the following: improving, sustained level, declining, new to job. Below standard performance will most often be handled at the time it is noticed rather than waiting until annual review
- Use a progressive disciplinary process with several levels of discipline and performance improvement plan before termination.
- Formal performance improvement plan is implemented
- Work-Habit discussions (coaching) followed by Progressive Problem Solving steps if performance does not improved.
- Coaching, training
- Performance Improvement Plans
- Discussion with employee. Issue Corrective Action Notice (warning) for specific violations.
- Develop a performance improvement plan
- Associates are placed on Performance Improvement Plans (PIPs) which are usually 90 days. The plan and progress is reviewed at least every two weeks and feedback is delivered and documented. If a merit increase would have been due, it is held until such time as the associate has improved and performance is consistently better. Failure to improve can be cause for termination for failure to perform required job functions.
- Performance improvement plans if ongoing feedback/coaching has not worked.
- Supervisors are encourage to address below standard performance immediately and not wait until the bi-annual review process. Employees are coached on what needs improvement and how to raise the standard. If improvement is not visible within the set period of time, the employee receives a verbal warning, then a written final warning if below standard performance is still a concern.
- Document, meet with employee, set improvement goals, review.
- We conduct performance improvement plans that involve 1) identifying the competency that needs to be addressed 2) target date of improvement 3) method/measure used to ensure competency gets addressed.
- Establish Performance Improvement Plan outlining 30/60/90 days.

- Performance Improvement Plan
- Verbal coaching followed by written documentation w/examples of substandard performance or failure to achieve goals and objectives. Finally, PIP implemented with timelines for completion of specific measures. Either EE completes satisfactorily or is dismissed.
- It is our desire to help you be the best in your job that you can be. When and if there is a need to improve your performance or change behaviors, we hope to work with you to develop those improvements. Initially you may come to your supervisor and request guidance or assistance in that improvement. This is certainly the preferred way to achieve improvement, by you proactively seeking to improve your abilities and skills. In some cases, however, we may take the lead by addressing the desire for improvement or change to you. We may do this through the Performance Improvement Program (PIP) This process is designed to help you improve your work performance to meet the company's acceptable standards. This PIP consists of three steps: 1. Verbal Discussion: Your supervisor or a member of management will personally and verbally bring the matter to your attention with the goal of helping you to develop the better performance or behavior. We may use our One on One coaching form or our Deliverables Achievement form to help you understand what to focus on. 2. Written Notice: If there is no success through step 1, a written notice stating the needs for improvement and the necessary actions to be taken, will be sent to you and also placed in your personnel file. Timelines and measured progress may be identified. 3. Probation: If steps 1 and 2 have not proven successful, you may be placed on performance probation. This will be a written document identifying the history of the issue. It will include specific milestones that must be achieved. There will be a specific duration of this probation that in most cases will be from 30 to 90 days. Failure to achieve the required performance can result in terminating your employment.
- The company first puts the employee on a performance improvement plan. If the employee's performance is still below standard, then we have a discussion with the employee about this not being a good fit.
- There is a tiered disciplinary process.
- The supervisor gives the employee an OFI (opportunity for improvement) which identifies the problem, analyzes the problem, then identifies possible solutions, develops a written plan, and then comes to an agreement.
- Document in reviews, individual meeting notes or warnings. Then performance improvement program.
- Performance Improvement Plans and/or progressive discipline
- Formal Performance Improvement Plan
- One verbal warning is permitted - the rest are documented
- Through coaching, development and progressive disciplinary action.
- Performance improvement; corrective action; termination
- Usually there is retraining by supervisor or possibly an outside source, maybe transfer to another department.
- Performance improvement plan & progressive discipline.

# Appendix E: Performance Evaluation & Comp

*The following are processes by which organizations tie performance evaluation and compensation.*

- Merit increase is based on rating
- Scores tied to merit matrix
- % of yearly increase is tied to performance and attendance
- Merit increase guidelines based on ratings and compa-ratio and market data
- Annual bonus is tied to results
- Performance evaluation results directly tied to annual incentive compensation; having met expectations is rewarded at a certain percentage of salary; having exceeded expectations is rewarded at a higher percentage of salary
- Percentage of increase dependent upon performance rating
- Employees ratings are turned into a calculation process and provided a rating for compensation.
- How well you did that year depends on the raise that you will get.
- Merit %
- Merit adjustment tied to employees overall performance rating.
- Matrix of pay range and review score tie to increase %
- Bonus plan
- Meeting performance goals drives Bonus compensation formula for Key Employees
- If below, no increase for year is given
- Merit increase is dependent upon results of evaluation. Increase is set by A, B or C player and each rating has an associated % increase.
- Direct tie in to raises and 50% of bonus
- Schedule of merit increases based on rating of evaluation
- Small scaled increase based on score.
- Performance rating is tied to % increase based on where their salary is in salary grid for their level
- Percentage raises based on numerical ratings.(i.e. a '10' might be a 5% raise, a '6' might be a 3%. etc.)
- Higher Score = Higher compensation
- Matrix based on score & compa-ratio

- Managers are given a 'budget' for merit increases - employees with better performance receive higher increases provided they are not 'over' market (rarely the case)
- No formal policy; if the employee exceeds expectations an increase above cost-of-living is awarded, otherwise a cost-of-living increase or less is awarded.
- Compensation is based on performance
- Merit Matrix is used to determine a merit increase based on Comp Ratio and overall performance score
- Used in determining compensation however the performance appraisal is conducted during the anniversary month of the employee and the comp review is done in the spring.
- The lower the rating, the lower the bonus
- We develop a compensation matrix based on scored.
- Discretionary
- Ratings tie to Merit increase
- If employees receive a rating of '3' or '4' they receive a percentage to their base or a lump sum pay out (the method varies every other year)
- Bonuses are awarded
- The higher your average score the higher your merit increase percentage.
- Merit increments and performance bonus are based on individual performance rating
- Annual Merit increases are Pay for Performance
- Percentage increase tied to final score.
- Objective and subjective evaluation by Compensation Committee on employee by employee basis
- Is a factor in the merit increase.
- Annual Merit
- Merit and annual bonus allocation is tied to performance rating. Equity is linked to ratings for executive level.
- Top performers are given 3%, average performers are given 2% and poor performers are given 1%. On a case by case basis, top performers may even get up to 5%.
- The higher the score the higher the increase %age
- Very loosely...
- Ratings and pay bands are used.
- Percent of increase based on overall evaluation score & where they fall within the salary range for the position.

## 2014 ERC Performance Management Practices Survey

Conducted by ERC

387 Golf View Lane, Suite 100  
Highland Heights, OH 44143  
440-684-9700 | [www.yourERC.com](http://www.yourERC.com)

Be sure to follow us online for the latest survey information from ERC:

 [www.yourERC.com](http://www.yourERC.com)     [linkedin.com/groups?gid=86241](https://www.linkedin.com/groups?gid=86241)

 [twitter.com/connectwithERC](https://twitter.com/connectwithERC)