



2013 PERFORMANCE MANAGEMENT

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STRATEGIC IMPORTANCE OF PERFORMANCE REVIEWS

- Establish clear work expectations
- Employee development tool
- Establish consistency between job behavior and organizational strategy and value
- Tool to determine compensation



FORCE DISTRIBUTION METHOD

- Forced distribution is a form of comparative evaluation in which managers are required to distribute ratings for those being evaluated into a pre-specified performance distribution ranking
- Managers are required to allocate a certain percentage of rates to certain categories (e.g. exemplary, outstanding, competent, less competent) or percentiles (e.g. top 15 percent, bottom 15 percent)
- Comparison of relative contribution to the success of the organization as well as comparing each employee's individual performance against other employees



BENEFITS OF FORCED DISTRIBUTION METHOD

- Grading on a curve
- Minimizes rater bias and inflation
- Improves organization's performance
- Fairly rewards top performers
- Helps improve contributions of low performers
- Engenders thoughtful performance reviews
- Tough ranking system key to success of performance intervention



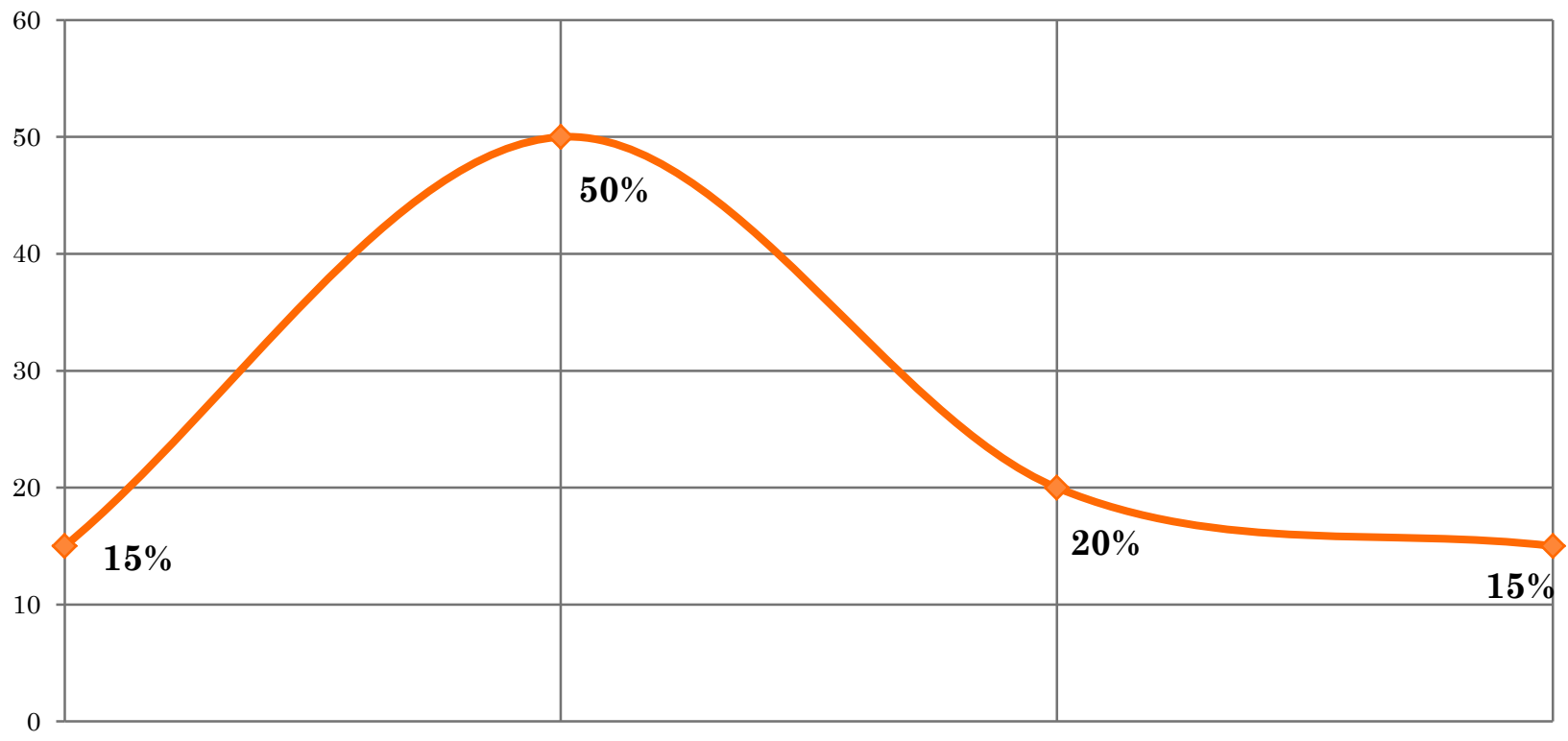
2013 - BELL CURVE RANKING

- Exemplary (15%) – 4.25% merit increase
- Outstanding (20%) – 3.50% merit increase
- Competent (50%) – 2.50% merit increase
- Less Competent (15%) - 0.00% merit increase

*aggregate increase 3.00%



DISTRIBUTION OF COMPARATIVE PERFORMANCE EVALUATION SCORES



REVIEW PROCESS AND EXECUTION

- Calibration meetings scheduled for December 2013
- Individual performance review meetings conducted/completed December 2013 and January 2014
- Performance based merit increases granted in January 2014
- Performance Improvement Plan (PIP) assigned to those employees rated as less competent

