Performance Appraisals FY15

Tim Burke and Justin Field
Organization & Talent Development
September 2015
Performance appraisals are HR’s most popular process

90025 appraisals were created for FY15

78% of eligible employees created a performance appraisal for FY15
Appraisals are adopted across regions and lines of business

Highest completion in LAD with **67% completed** from 84% starting. North America has the largest population with 44% completed from 68% starting.

Hurd leads the way with **65% completed** from 85% starting. Catz shows 57% completed from 73% starting while Ellison has only 35% completed from 64% starting.

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**Regional Comparison**

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<th>In Progress</th>
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**LOB Comparison**

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<td>2916</td>
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Completion rates are trending up this year

Regional completion was lower in FY14 but every region shows an increase for FY15.

Catz shows four years of increasing completion, while Hurd and Ellison were down in FY14 but up in FY15.
Employees and managers devote time to their appraisals

Employee self-evaluation
1 hour

Manager evaluation
1 hour

Performance conversation
1 hour

Minimum investment
3 hours per appraisal

Total person hours
270,075

Total person work days
33,759

Total person work weeks
843

* Minimum time estimated

Calculated using 90,025 appraisals world-wide
Final ratings favor 3 and 4 and are stable year on year

Catz has the **majority** (55%) with **final rating 3**. Hurd has roughly equal numbers of 3s and 4s. Ellison has more 4s (48%) than 3s (38%) and the highest proportion of 5s.

Changes in rating distribution are barely detectable meaning that the rating distribution is **remarkably stable** for the past four years.

LOB Comparison - Final Ratings Distribution

Changes in rating distribution are barely detectable meaning that the rating distribution is **remarkably stable** for the past four years.

Distribution of Final Ratings
Final feedback highlights teamwork and gratitude

Manager final feedback to employee centres around teamwork.

Employee final feedback to manager centres around gratitude.
We invested in on-demand learning solutions in FY15

Performance Appraisal Training Center (PATC) is our most popular learning asset with 37,605 visits from March to August. Even though HR had apparently low usage, 542 unique visitors represents 57% of the HR workforce (excl. Nolitt and Shott orgs).

On-demand e-learning is accessed from the PATC and directly from the widely circulated training schedule. Employee tool training is most popular (4810 learners) followed by manager tool training (1153).
We invested in live virtual learning solutions in FY15

Live webcasts have lower attendance than e-learning, but remain a significant learning channel. New & acquired employees want to learn about the appraisal system; these sessions are heavily marketed by HR. Super user sessions reached 12% of HR community (excl. Nolitt and Shott orgs), indicating strong demand.

All course evaluations exceeded our internal minimum, 86%. Our popular courses exceeded our internal preferred satisfaction threshold, 90%. Strikingly, live webcasts score higher satisfaction than on-demand e-learning, especially prominent for Employee Tool training (93.6% vs 90.4%).
We invested in self help resources in FY15

Created **guided assistance** for appraisals in MyHelp (the first HR module to do this).

Created **15 iKnow documents** for common appraisal issues, to support self help and speedier resolution of user problems. iKnow usage is **very small** compared to PATC visits and learning consumption.

Created members-only **Oracle Social Network** conversation for HR and OTD staff worldwide who support appraisals, to facilitate global and consistent approach to performance appraisals.

![iKnow Appraisal Documents Viewed](image-url)
We have an effective production support ecosystem

Support to appraisals is only 3% of all HR support.

HR Service Requests, Mar-Aug 2015 (n=8725)

- Appraisals
- Benefits
- Comp Workbench
- Core HR, Professional UI
- Employee Self-Service
- Fusion HR Apps
- HR Data Security
- HR Reporting
- HR Datamart
- Manager Self-Service
- Other HR Systems
- Recruitment

Service request activity is low in Q4 and peaks during Q1.

Appraisal Service Requests Created

Bug activity matches SR activity at a ratio of roughly 1:10.

Appraisal Bugs Created
Here’s the 2015 season by the numbers

- 90025 appraisals
- 37605 PATC visitors
- 4810 e-learners
- 1343 live learners
- 811 iKnow views
- 314 SRs
- 27 bugs
Change is coming

- **Support**
  - Oracle Service Cloud implementation
  - September 2015

- **Competency project**
  - In progress
  - Will impact all appraisals

- **Roadmap**
  - Future technology adoption of cloud solutions
Where to from here?

Wide adoption

Significant time and effort from staff

Well understood process

Stable system

Future change requires careful planning

Strengthen investment in the capability of HR

Continue investment in PATC

Providing superior support

Consider optimum balance of live vs recorded learning

Strengthen production support partnerships with HRIS and OAL
We have identified opportunities for strategic change

- Early market trend to abandoning ratings
  - Is this right for Oracle?

- Manager capability in performance conversations
  - How do we improve this at Oracle?

- Shift from compliance mindset to engagement mindset
  - Support employee career development
Comments and Feedback

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Appendix: Detailed Charts
Executive Summary

• Major portion of Oracle workforce is engaged in performance appraisal process in FY15
  – 78% of eligible employees completed or initiated appraisals, down from 83% in FY14
  – 90025 appraisals are completed (64137) or in-progress (25888), which is 0.1% decrease over FY14

• Trend continues toward higher final ratings

• Higher appraisal completion rates can be assisted by
  – Partnering with business to support performance management
  – Project management, communication, and training by HR/OTD
Data Components

• Discoverer Appraisal Status Report for Oracle Global Hierarchy compiled on 08-Sept-2015

• Parameters used to determine eligible employees
  – All IC and M Level Employees
  – Active Employees (plus Inactive if appraisal in Completed status)
  – Appraisal Rank 1 (plus higher rank if appraisal given Final Rating)
  – Hire Date before 01-June-2015
  – Appraisals in Pending Appraisee Feedback Status added to Completed status (since they will convert within 30 days)
Performance Appraisals FY15 – Global

Appraisal Status

- Completed: 64137 (55.2%)
- In Progress: 25888 (22.6%)
- Not Initiated: 26218 (22.3%)

Percentage of eligible employees
Performance Appraisals FY15 – NA Region

Appraisal Status

- Completed: 21803 (44.4%)
- In Progress: 11739 (23.9%)
- Not Initiated: 15591 (31.7%)

Percentage of eligible employees
Performance Appraisals FY15 – LAD Region

Appraisal Status

- Completed: 3956 (67.4%)
- In Progress: 998 (15.6%)
- Not Initiated: 916 (17.0%)

Percentage of eligible employees
Performance Appraisals FY15 – EMEA Region

Appraisal Status

- Completed: 15149 (60.7%)
- In Progress: 5719 (22.9%)
- Not Initiated: 4094 (16.4%)

Percentage of eligible employees
Performance Appraisals FY15 – JAPAC Region

Appraisal Status

- Completed: 23229 (64.0%)
- In Progress: 7432 (20.5%)
- Not Initiated: 5617 (15.5%)

Percentage of eligible employees
Completion Status by Region FY15

Percentage of eligible employees

Completed

In Progress

Not Initiated

NA
LAD
EMEA
JAPAC
Completed Appraisals by Region Trend

Percentage of eligible employees

- **Global**
- **NA**
- **LAD**
- **EMEA**
- **JAPAC**

- **FY12**
- **FY13**
- **FY14**
- **FY15**
Performance Appraisals FY15 – Catz

Appraisal Status

- Completed: 6089 (56.8%)
- In Progress: 1713 (27.2%)
- Not Initiated: 2916 (16.0%)

Percentage of eligible employees
Performance Appraisals FY15 – Hurd

Appraisal Status

- Completed: 45651 (65.1%)
- In Progress: 14005 (20.0%)
- Not Initiated: 10415 (14.9%)

Percentage of eligible employees
Performance Appraisals FY15 – Ellison

Appraisal Status

- Completed: 12397 (35.0%)
- In Progress: 10171 (36.3%)
- Not Initiated: 12887 (28.7%)

Percentage of eligible employees
Completion Status by Line of Business FY15

Percentage of eligible employees

Completed: Catz 60.0%, Hurd 70.0%, Ellison 50.0%
In Progress: Catz 10.0%, Hurd 20.0%, Ellison 30.0%
Not Initiated: Catz 30.0%, Hurd 20.0%, Ellison 40.0%
Completed Appraisals by LOB Trend

Percentage of eligible employees

- Global
- Catz
- Hurd
- Ellison

FY12
FY13
FY14
FY15
Performance Appraisals FY15 – Global

Final Ratings

- Rating 1: 0.1%
- Rating 2: 4.1%
- Rating 3: 42.8%
- Rating 4: 43.0%
- Rating 5: 10.0%
Performance Appraisals FY15 – NA Region

Final Ratings

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<tr>
<td>5</td>
<td>12.0%</td>
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Performance Appraisals FY15 – LAD Region

Final Ratings

- Rating 3: 48.5%
- Rating 4: 36.6%
- Rating 5: 8.5%
- Rating 2: 6.3%
- Rating 1: 0.1%
Performance Appraisals FY15 – EMEA Region

Final Ratings

- Rating 1: 0.2%
- Rating 2: 4.7%
- Rating 3: 42.0%
- Rating 4: 43.9%
- Rating 5: 9.2%
Performance Appraisals FY15 – JAPAC Region

Final Ratings

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Performance Appraisals FY15 – Catz

Final Ratings

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Performance Appraisals FY15 – Hurd

Final Ratings

- Rating 1: 0.2%
- Rating 2: 4.5%
- Rating 3: 42.5%
- Rating 4: 43.0%
- Rating 5: 9.9%
Performance Appraisals FY15 – Ellison

Final Ratings

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Final Ratings by Line of Business FY15

Catz
Hurd
Ellison
Notes on Completion Status

• Appraisal is given Completed status when
  – Main appraiser submits final rating and clicks on Complete button
  – Appraisee enters final comments or 30 days later
  – Appraisal might be in Completed status without final rating or in other status with final rating (which are user errors and should be corrected)

• Contents of Completed appraisal with all elements include
  – Ratings and comments on competencies and/or objectives from appraisee and main appraiser
  – Questionnaires for appraisee and main appraiser
  – Third party participant feedback
  – Final rating and comments from main appraiser, appraisee feedback
Observations on Completion Status

• LAD continues to be leader in appraisal completion rate
  – Strong push from HR and regional leaders
  – More involvement of HR managers in appraisal process

• JAPAC continues with high completion rate
  – Relationship between OTD/HR/Business Groups
  – Turmoil in leadership has diverted attention this year

• EMEA also has high completion rate
  – Culture encourages performance appraisals
  – Supports transparency of process and participant feedback
Observations on Final Ratings

• Final ratings of 3 (42.8%) and 4 (43.0%) continue to be close in frequency distribution
• Final rating of 5 decreased slightly to 10.0% in FY15 from 10.2% in FY14
Recommendations for HR/OTD

• Reduce number of In Progress appraisals
  – Many appraisals in progress may never proceed to completion
  – Encourage HR managers to push business groups to complete appraisals by end of August each year

• Consider ways to address trend toward higher final ratings
## Appendix

### Appraisal Status Final Rating

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