Promotional Guidelines

research

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WorldatWork
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WorldatWork®
The Total Rewards Association

About WorldatWork®

The Total Rewards Association

WorldatWork (www.worldatwork.org) is a not-for-profit organization providing education, conferences and research focused on global human resources issues including compensation, benefits, work-life and integrated total rewards to attract, motivate and retain a talented workforce. Founded in 1955, WorldatWork has nearly 30,000 members in more than 100 countries. Its affiliate organization, WorldatWork Society of Certified Professionals®, is the certifying body for the prestigious Certified Compensation Professional® (CCP®), Certified Benefits Professional® (CBP), Global Remuneration Professional (GRP®), Work-Life Certified Professional™ (WLCP®), Certified Sales Compensation Professional™ (CSCP™), and Certified Executive Compensation Professional™ (CECP™). WorldatWork has offices in Scottsdale, Arizona, and Washington, D.C.

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Introduction & Methodology

This report summarizes the results of a September 2010 survey of WorldatWork members to gather information about current trends in promotional guidelines. This survey focuses on specific definitions of employee promotions as well as changes in promotional opportunities in today's workplace due in part to the economic downturn.

On Sept. 15, 2010, survey invitations were sent electronically to 4,947 WorldatWork members. Members invited to participate were randomly selected from those who designated "compensation" or "compensation and benefits" in their title. Though the survey sample largely included members in the United States, there were no geographic criteria prohibiting participation by members outside of the U.S. The survey closed on Oct. 1, 2010, with 936 responses, a 19% response rate.
In order to provide the most accurate data possible, data was cleaned and analyzed using statistical software. Any duplicate records were removed, resulting in a final dataset of 720 responses. Data comparisons with any relevant, statistically significant differences are noted with this report.

The demographics of the survey sample and the respondents are similar to the WorldatWork membership as a whole. The typical WorldatWork member works at the managerial level or higher in the headquarters of a large company in North America.

The frequencies or response distributions listed in the report show the number of times or percentage of times a value appears in a data set. Due to rounding, frequencies of data responses provided in this survey may not total exactly 100%.

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Executive Summary

Definition of "Promotion"

- The majority of organizations (84%) require an increase to the employee's pay grade, band or level to be considered a promotion. (See Figure 1.)
- Seventy-three percent require that the employee assume higher level of responsibilities and one-third require the assignment of a new title. (See Figure 1.)
- Many organizations require that more than one of these criteria be met. One-third (32%) require that there be an increase to the employee's pay grade, band or level, and that the employee assume a higher level of responsibility to be considered a promotion. (See Figure 1.)

Size and Determination of Promotional Increases

- Non-exempt employees are receiving an average increase in pay of 7.1% (mode[1] = 5%) for a promotion. Exempt employees are receiving an average of 8.3% (mode = 10%) and officers/executives are receiving and average of 9.5% (mode = 10%). (See Figure 2.)
- The most influential factors in determining the amount of the increase are the pay range of the new position, cited by two-thirds of the respondents, the rates paid to other employees in similar positions (60%) and external pay data (36%). (See Figure 3.)
- For non-exempt employees, average promotional increases are statistically higher in organizations with turnover rates above 16%. This likely stems from industries where rapid increases in pay are the norm and employees may jump from one employer to another for even nominal differences in hourly rates of pay. (See Figure 33.)
- Organizations with high levels of turnover promote a higher percentage of their workforce. Again, high turnover results in more position vacancies, potentially causing the percentage of employees promoted to go up.
- A third of organizations do not limit the size of the promotional increases. Forty percent of organizations limit some increases while 27% indicated that all promotional increases are limited. (See Figure 6.) Of those who limit some or all promotional increases, about half have a maximum between 11-20%. Slightly fewer say their maximum is below 10%. (See Figure 7.)
- A majority of organizations (77%) do not limit the number of grades or levels employees are permitted to move during a single promotion while 11% limit grade movement for some promotions and 12% limit all promotions. (See Figure 9.)

[1] The mode is the value that occurs most frequently in a dataset.

Number of Promotions

- The average percentage of the employee population promoted during 2009 (or last fiscal year) was 7%. The mode was 5%. This is a statistically significant difference from the 8.1% of employees who organizations indicated they *typically* promote, suggesting that the economic recession may be resulting in fewer promotions. (See Figure 4.)

Funding of Promotional Increases

- Forty-four percent budget for promotional increases separate from other pay increase budgets. (See Figure 5.)
- Nearly a quarter (24%) of organizations adjust their merit budget during planning season to include money for promotional increases. An additional 13% pay for promotional increases out of their merit budget, but do not actually allocate extra dollars in the merit budget for promotions up front. (See Figure 5.)
- Vacancy savings (savings from vacant positions or during recruitment) and salary savings (hiring at a lower rate than previous incumbent) are common sources for promotional increase funding as well, at 22% and 16% respectively. (See Figure 5.)

Impact of Promotions on Merit Increases and Variable Pay Awards

- Once an employee is promoted, the most common practice is to allow him/her to participate in the nearest merit increase program (46%). (See Figure 12.)
- Seventeen percent of organizations include the merit increase in the promotional increase and 16% prorate the merit increase. (See Figure 12.)
- Relative to participation in incentive plans following a promotion, 43% indicate payouts are calculated based on a proration of the old and new pay rates. Twenty-nine percent calculate the payout based on the new pay and bonus rate. (See Figure 16.)

Communication of Promotional Guidelines

Concerning communications to employees regarding promotional guidelines or policies, it appears that organizations tend to be more reactive than proactive.

- Only 22% responded that they want all employees to fully understand promotional guidelines and policies. (See Figure 8.)
- Nearly two-thirds (63%) of organizations only share guidelines when asked by employees and 6% only communicate guidelines to employees who are actually receiving a promotion. (See Figure 8.)

Lateral Position Movement

- In cases where an employee is moving to another position of equal (lateral) grade or level, a majority (57%) do not allow for an increase to base pay, while only 8% do and 35% indicate it depends on the position in question. (See Figure 11.)

Timing and Frequency of Promotions

- Below the executive level, about four in every 10 organizations allow for a promotion at any time following hire, a quarter require at least six months of service, and another quarter require at least 12 months of service. (See Figure 14.)
- For executives, 65% have no minimum service requirement prior to promotion, 13% require six months of service and 17% require 12 months of service. (See Figure 14.)
- Most organizations (59%) have no minimum time requirement between promotions, with 12% requiring at least six months and 16% requiring at least 12 months. (See Figure 15.)
- Three-fourths (74%) of organizations allow promotions to occur “as needed,” with only 17% indicating that promotions occur at only one set time annually. (See Figure 13.)

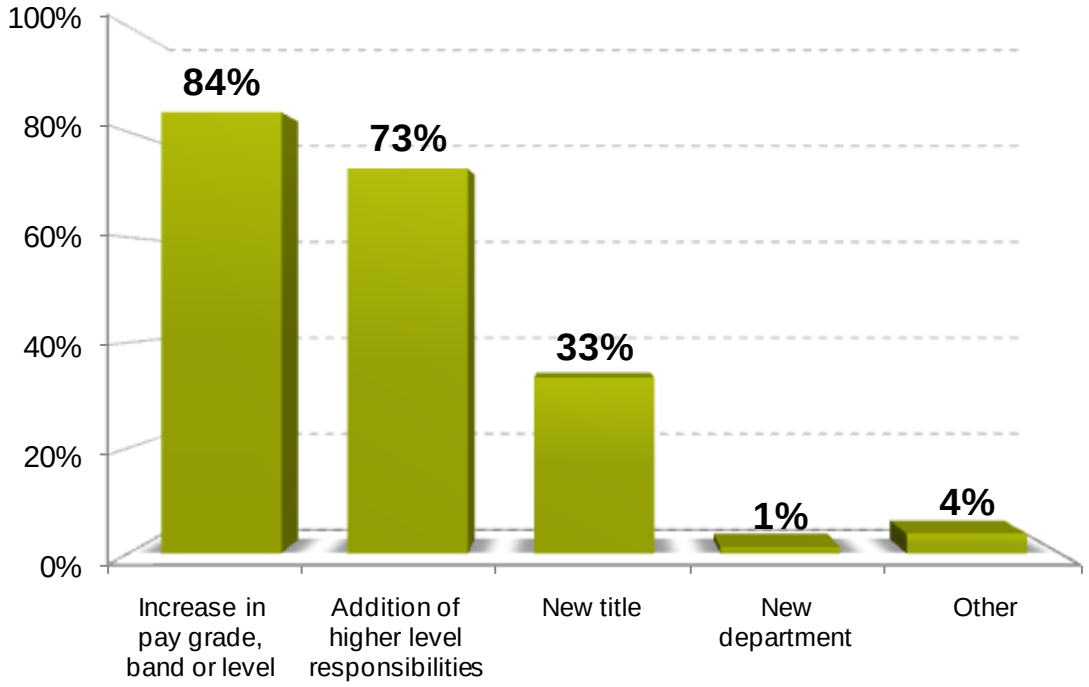
Total Rewards Takeaways

Despite the fact that career advancement and more challenging job opportunities are key elements of a total rewards package, most organizations do not communicate these opportunities to potential employees during the recruitment process. Nearly two-thirds indicated that they do not feature or market promotional opportunities as a key employee benefit when attempting to attract new employees.

As with communications on promotional guidelines and policies, herein lies another area where organizations can improve their sharing of information to employees and candidates alike. Organizations responded that promotional opportunities had a positive or very positive effect on employee motivation (62%) and engagement (59%). Moreover, organizations that use promotional opportunities as an attraction lever are more likely to say that their workforces view promotions as contributing to employee engagement and motivation.

Results and Analysis

Figure 1: "Which of the following best describes how your organization defines an employee "promotion?"
Please select all criteria that are REQUIRED to be considered a promotion. (n= 719)



The most popular combinations of choices used to define employee promotions are:

- Nearly a third of participants (32%) selected Increase in pay grade, band or level and addition of higher level responsibilities in combination
- 23% of participants selected Increase in pay grade, band or level, addition of higher level responsibilities and new title in combination
- 22% selected increase in pay grade, band or level with no additional criteria selected
- New department was only selected when all additional criteria choices (excluding 'Other') were selected.

Figure 2: "In 2010 (or current fiscal year), what has been the average promotional increase, expressed as a percentage, for each employee class in your organization? Please specify a percentage for each employee category. If the employee category is not applicable for your organization, please leave it blank."

Employee Type	Average	Minimum	Maximum	Mode
Nonexempt (hourly) (n=504)	7.1%	0%	45%	5%
Exempt (salaried) (n=584)	8.3%	0%	23%	10%
Officers/Executives (n=380)	9.5%	0%	30%	10%

Figure 3: "During 2010, what has been the most influential factor(s) in determining rates of promotional increase? (Please select up to 3 factors.)" (n= 684)

Option	Percentage
Pay range for the new position	66%
Rates paid to other employees similarly situated within the organization	60%
External pay data, if available	36%
Qualifications of the individual, compared to the qualifications of other employees in the same job within the organization	30%
Performance level of the individual being promoted	29%
A fixed percentage increase for most promotional increases	21%
Number of pay grades between the old position and the new position	19%
Whether the promotion involves a change from nonexempt to exempt classification	8%

The most popular combinations of factors in determining rates of promotional increase are:

- 12% of participants selected pay range for the new position, rates paid to other employees similarly situated within the organization and external pay data.
- 7% of participants selected pay range for the new position, rates paid to other employees similarly situated within the organization, and performance level of the individual being promoted.
- Additionally, 7% of participants selected pay range for the new position, rates paid to other employees similarly situated within the organization and qualifications of the individual, compared to the qualifications of other employees in the same job within the organization.

Figure 4: Summary of the percentage of employees promoted in 2009 together with the percentage of employees promoted in a typical year.

"What percentage of employees were promoted in 2009 (or last fiscal year)? Please specify as a percentage of the number of total employees." (n= 477)

"What percentage of employees does your organization usually promote on an annual basis? Please specify as a percentage of the number of total employees." (n= 441)

Employee Type	Average	Minimum	Maximum	Mode
2009 or last fiscal year promotions	7.0%	0%	40%	5%
Typical annual promotions	8.1%[2]	0%	35%[3]	10%

[2] A paired sample t-test demonstrated a statistically significant difference between annual promotions given in 2009 and 2010 ($p<.000$).
[3] A value of 98 was submitted and considered excessive. This value was excluded from the analysis.

Figure 5: "How does your organization fund promotional increases? (Check all that apply.)" (n= 600)

Option	Percentage
We budget for promotional increases separate from other pay increase budgets.	44%
We budget for promotional increases as part of our merit budget.	24%
We pay for promotional increases with vacancy savings (savings from vacant positions or during recruitment).	22%
We pay for promotional increases with salary savings (hiring at a lower rate than previous incumbent).	16%
We budget for promotional increases as part of another budget. Please specify budget:	13%
We pay for promotional increases out of merit budget, but merit budget is not inflated to cover promotional increases.	13%
We pay for promotional increases out of another budget, but the other budget is not inflated to cover promotional increases.	8%

Of the 13% of participants who answered, "We budget for promotional increases as part of another budget," the top three specified budgets are:

- Annual salary budget
- Department budget
- Operating budget.

Of the 8% of participants who answered, "We pay for promotional increases out of another budget, but the other budget is not inflated to cover promotional increases," the top three specified budgets are:

- Department budget
- Annual salary budget
- Operating budget.

Figure 6: "Does your organization limit the size of some or all promotional increases?" (n= 624)

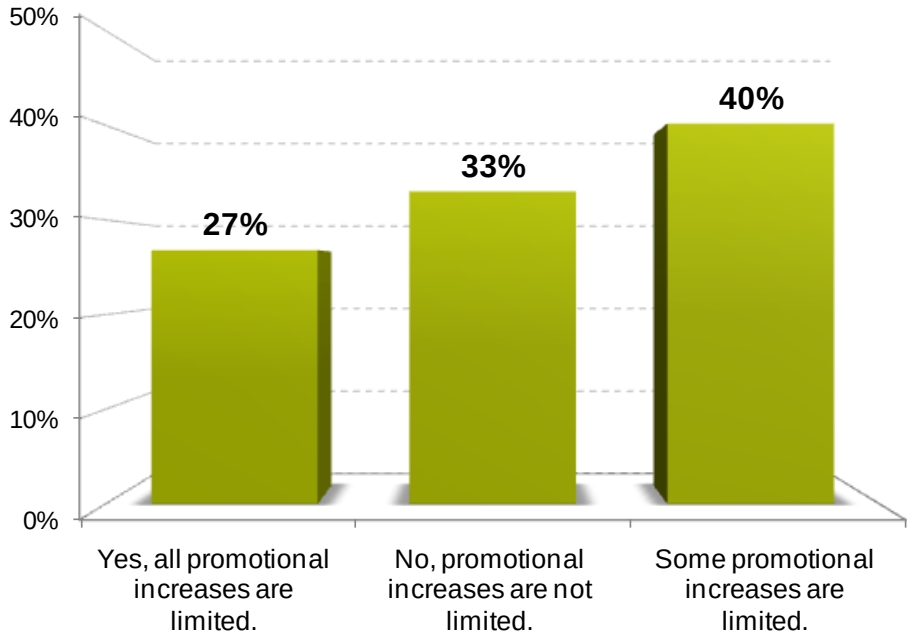
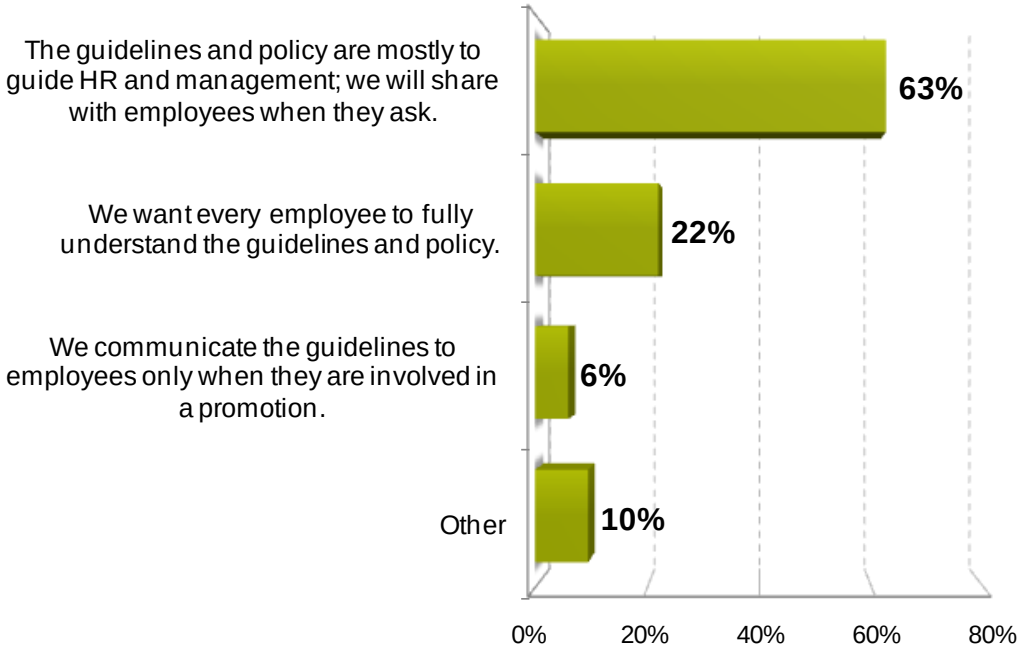


Figure 7: "What is the maximum amount employees are eligible for as a promotional increase? Please choose the most accurate response for each employee category."
Only participants who answered "yes'" in Figure 6 received this question.

Employee Type	Less than 10%	11%-20%	21%-30%	31%-40%	41%-50%	More than 50%	No limit for this type of employee
Nonexempt (hourly) (n=141)	49%	40%	4%	1%	1%	0%	5%
Exempt (salaried) (n=155)	40%	50%	5%	1%	1%	0%	4%
Officers/Executives (n=129)	28%	43%	4%	1%	2%	0%	23%

Figure 8: "What is your organization's approach to the communication of promotional guidelines or policy?" (n= 622)



The majority of participants who answered other stated that their organization does not have a formal promotional policy to communicate to employees.

Figure 9: "Does your organization set a limit for how many grades, bands or levels employees are permitted to move in a single promotion?" (n= 618)

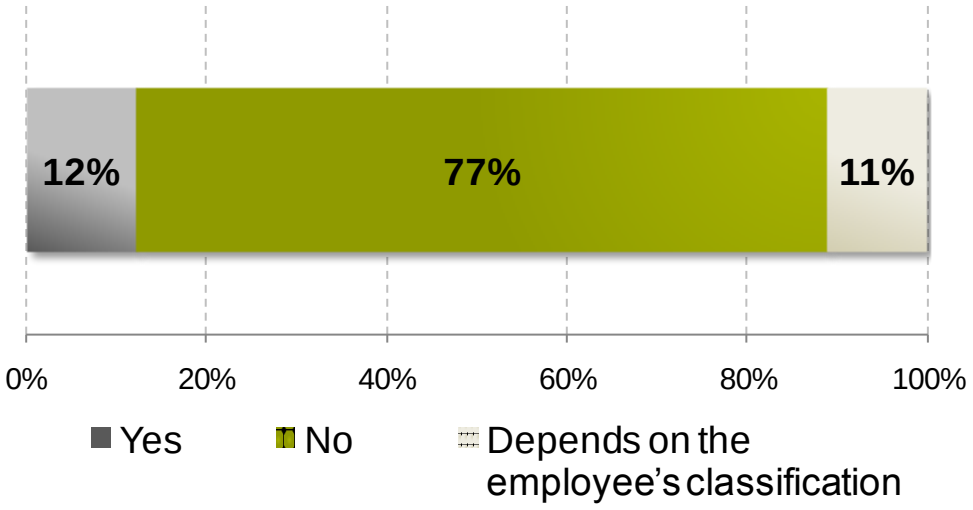


Figure 10: "How many grades, bands or levels are employees permitted to move in one promotion?" (n= 76)
Only participants who answered "yes" in Figure 9 received this question.

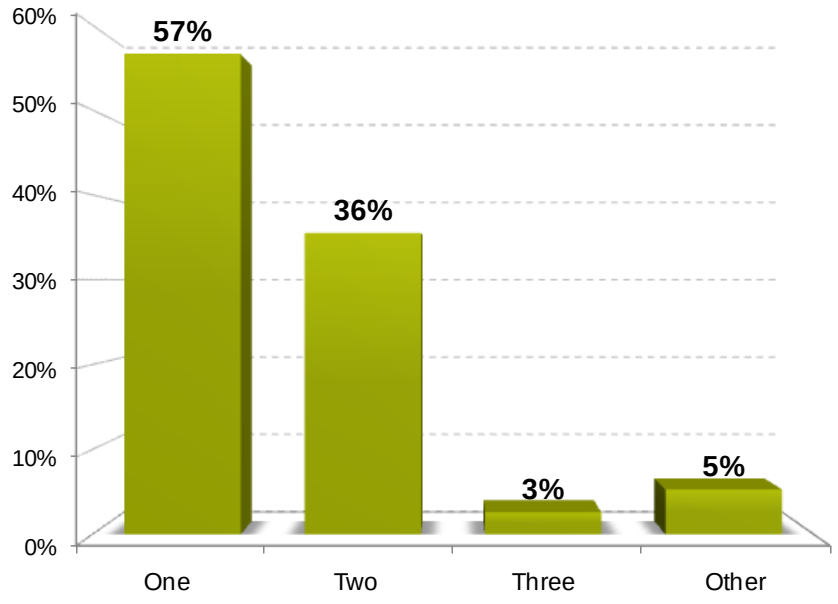


Figure 11: "Are employees typically eligible for a promotional increase when moving laterally?" (n= 622)

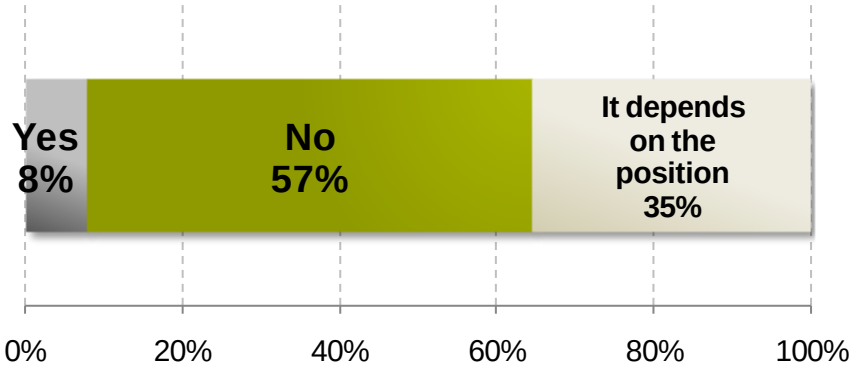


Figure 12: "How are merit increases managed for promoted employees?" (n= 620)

Option	Percentage
Promoted employees are eligible for nearest merit increase.	46%
Merit increase is included in promotional increase.	17%
Promoted employees are eligible for a prorated merit increase.	16%
Promoted employees are ineligible for a merit increase until next cycle.	7%
Other	15%

Over a third of participants who selected 'Other' specified that merit increases for promoted employees are managed on a case-by-case basis or dependent on the timing of the promotion.

Figure 13: "When do most promotions in your organization occur?" (n= 622)

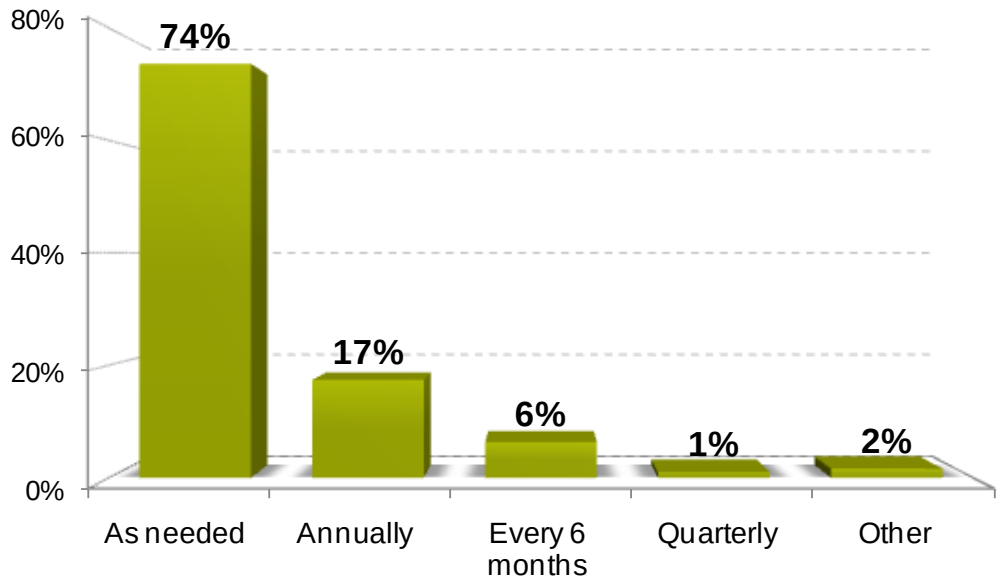


Figure 14: "How soon after hire are employees eligible for a promotion? Please choose an answer for each employee category."

Employee Type	No minimum; immediate if necessary	No promotions within first 3 months of service	6 months of service	12 months of service	Specific days or months
Nonexempt (hourly) (n=560)	43%	6%	26%	24%	2%
Exempt (salaried) (n=598)	45%	4%	23%	25%	3%
Officers/Executives (n=520)	65%	3%	13%	17%	3%

Of participants who selected specific days or months employees must wait before being eligible for a promotion, 18 months is the most common response for each employee type.

Figure 15: "How often are employees eligible for promotion?" (n= 613)

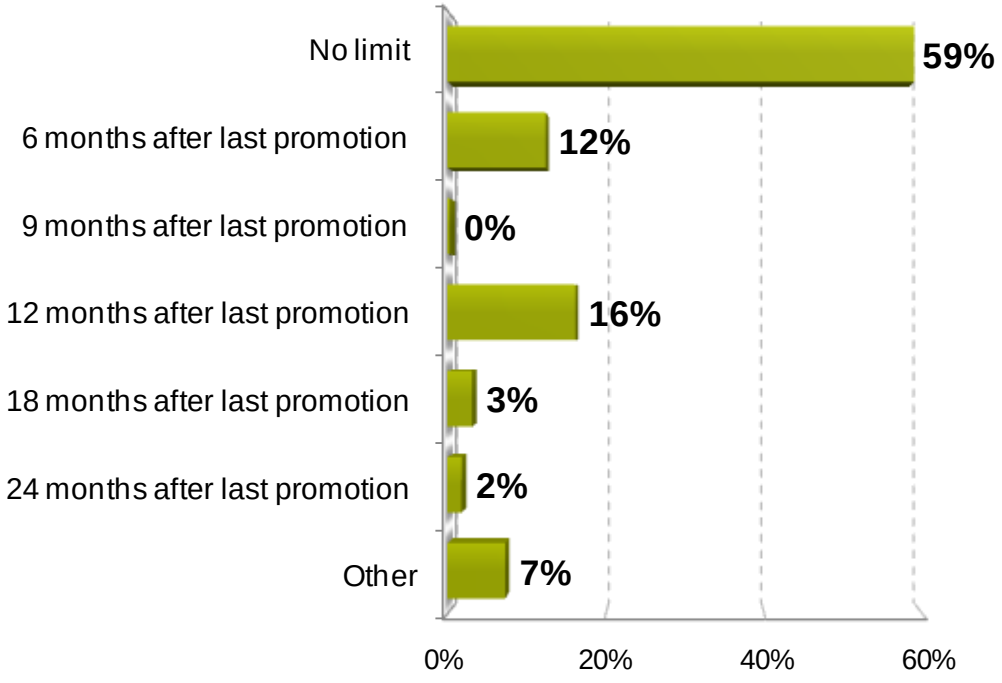
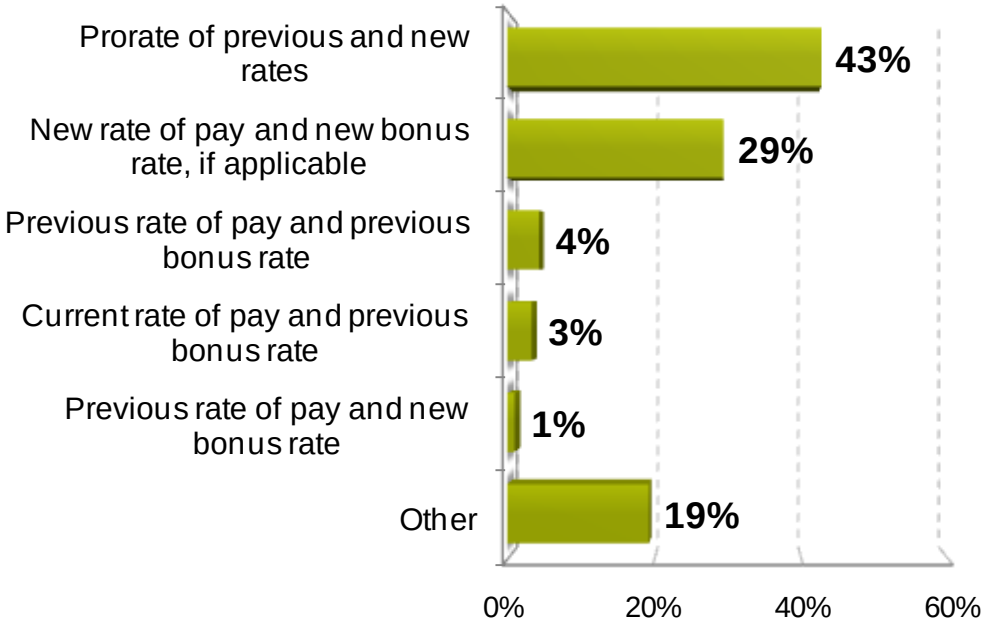


Figure 16: "How are bonus or incentive payouts calculated for employees who have received a promotional increase?" (n= 579)



Nearly a quarter of participants who selected 'Other' stated that bonuses are calculated based on total earnings for the year and not the rate of pay.

Figure 17: "Does your organization feature or market the promotional opportunities (or activities) as a key employee benefit when attempting to attract new employees?" (n= 614)

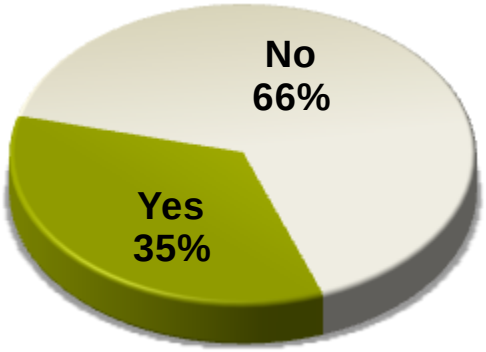
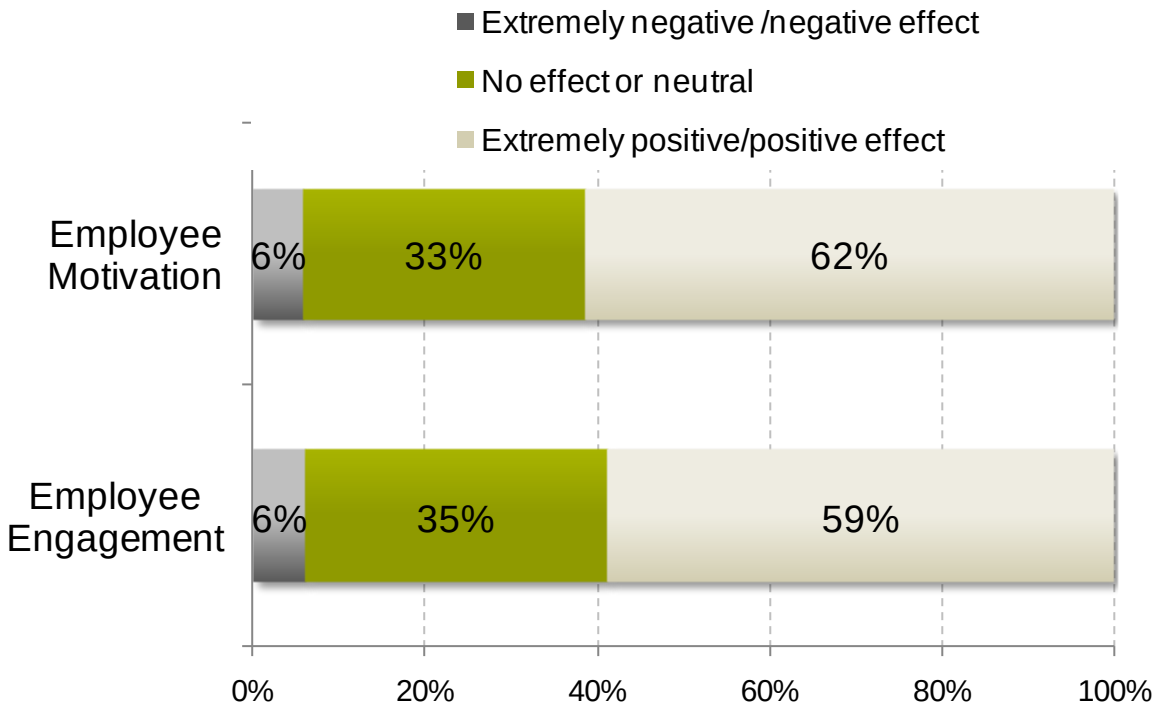


Figure 18: "What would your workforce say is the effect of your organization's promotional opportunities (or activities) on:" (n= 610)



Promotional Guidelines and Organization Type

Legend:

Private sector - publicly traded 47%	Private sector - privately held 24%	Public sector 15%	Nonprofit/Not-for-profit 14%

Figure 19: Definitions of promotions and organization type (participants could select more than one answer)

	Private sector - publicly traded (n=293)	Private sector - privately held (n=150)	Public sector (n=90)	Nonprofit/ Not-for-profit (n=87)
Addition of higher level responsibilities	76%	75%	72%	70%
Increase in pay grade, band or level	85%	79%	80%	86%
New title	36%	31%	33%	21%
New department	1%	1%	2%	0%
Other	4%	3%	3%	9%

Figure 20: Organization type by most influential factors in determining a promotion (participants could select more than one answer)

	Private sector - publicly traded (n=291)	Private sector - privately held (n=150)	Public sector (n=88)	Nonprofit/ Not-for-profit (n=86)
Pay range for the new position	69%	61%	66%	63%
Rates paid to other employees similarly situated within the organization	65%	57%	43%	66%
External pay data, if available	39%	37%	25%	34%
Qualifications of the individual compared to the qualifications of other employees in the same job within the organization	31%	32%	30%	31%
Performance level of the individual being promoted	34%	33%	32%	9%
A fixed percentage increase for most promotion	15%	23%	26%	27%
Number of pay grades between the old position	15%	17%	20%	31%
Whether the promotion involves a change from nonexempt to exempt classification	8%	7%	7%	7%

Figure 21: Average amount of promotional increase by organization type

	Private sector - publicly traded	Private sector - privately held	Public sector	Nonprofit/ Not-for-profit
Nonexempt (hourly)	7.4% (n=205)	7.1% (n=115)	6.9% (n=61)	6.3% (n=72)
Exempt (salaried)	8.3% (n=251)	8.4% (n=130)	8.4% (n=72)	8.0% (n=72)
Officers/Executives	9.3% (n=172)	9.6% (n=85)	8.7% (n=50)	10.1% (n=36)

Figure 22: Average percent of employees promoted in 2009 vs. typical years by organization type

	Private sector - publicly traded	Private sector - privately held	Public sector	Nonprofit/ Not-for-profit
2009 or last fiscal year promotions	7.2% (n=211)	7.1% (n=128)	6.8% (n=63)	6.3% (n=60)
Typical annual promotions	8.6% (n=198)	8.4% (n=117)	7.7% (n=57)	6.8% (n=56)

Promotional Guidelines and Total Rewards

Attracting new employees

Only 35% of organizations use their promotional guidelines as a tool to attract new employees. The following tables and graphs examine the differences in organizations that use promotional guidelines as a tool for attraction and those that do not.

This summary is intended to provide an overview of how organizations that use their promotional guidelines as a tool to attract new employees differ from organizations that do not[4].

Key

Use for attraction 35%	Do not use for attraction 66%

Figure 23: Use in employee attraction by promotion definitions (participants could select more than one answer)

	Use for attraction (n=212)	Do not use for attraction (n=401)
Increase in pay grade, band or level	87%	81%
Addition of higher level responsibilities	74%	74%
New title	37%	30%
New department	2%	5%
Other	4%	4%

Figure 24: Average amount of promotional increase, by use in employee attraction

	Use for attraction	Do not use for attraction
Nonexempt (hourly)	6.9% (n=162)	7.2% (n=289)
Exempt (salaried)	8.0% (n=185)	8.5% (n=337)
Officers/Executives	9.5% (n=125)	9.4% (n=218)

[4] Selected statistically significant differences are noted.

Figure 25: Average percent of employees promoted in 2009 vs. typical years, by use in employee attraction

	Use for attraction	Do not use for attraction
2009 or last fiscal year promotions	7.6% (n=161)	6.6% (n=298)
Typical annual promotions	8.8% (n=149)	7.8% (n=278)

Figure 26: Use in employee attraction by limits on promotional increases

	Use for attraction (n=210)	Do not use for attraction (n=395)
Yes, all promotional increases are limited	29%	26%
No, promotional increases are not limited	28%	36%
Some promotional increases are limited	43%	38%

Figure 27: Use in employee attraction by communication of promotional guidelines

	Use for attraction (n=211)	Do not use for attraction (n=398)
We want every employee to fully understand the guidelines and policy	28%	19%
We communicate the guidelines to employees only when they are involved in a promotion	6%	6%
The guidelines and policy are mostly to guide HR and management; we will share with employees when they ask	59%	64%
Other	7%	11%

Figure 28: Use in employee attraction by when most promotions occur

	Use for attraction (n=212)	Do not use for attraction (n=399)
As needed	81%[5]	70%
Annually	13%	19%
Every 6 months	5%	7%
Quarterly	0%	1%
Other	0%	3%

Figure 29: Use in employee attraction by how workforce would report the promotional opportunities effect on employee engagement

	Use for attraction (n=211)	Do not use for attraction (n=394)
Extremely negative / negative	2%	8%
No effect or neutral	21%	43%[6]
Extremely positive / positive	77%[7]	49%

[5] Organizations that use the promotional opportunities of their organization as a tool for attracting new talent reported promoting employees on an "as needed" basis at statistically significantly higher rates than organizations that do not use the promotional opportunities of their organization as a tool for attracting new talent.

[6] Organizations that do not use the promotional opportunities of their organization as a tool for attracting new talent were statistically significantly more likely to report that their workforce would claim that the promotional opportunities of their organization had a neutral effect or no effect on employee engagement.

[7] Organizations that use the promotional opportunities of their organization as a tool for attracting new talent were statistically significantly more likely to report that their workforce would claim that the promotional opportunities of their organization had an extremely positive or positive effect on employee engagement.

Figure 30: Use in employee attraction by how workforce would report the promotional opportunities effect on employee motivation

	Use for attraction (n=209)	Do not use for attraction (n=396)
Extremely negative / negative	3%	7%
No effect or neutral	21%	39%[8]
Extremely positive / positive	76%[9]	54%

Figure 31: Use in employee attraction by voluntary employee turnover rates

	Use for attraction (n=204)	Do not use for attraction (n=378)
0% to 5%	25%	31%
6% to 10%	48%	40%
11% to 15%	15%	18%
Over 16%	12%	11%

[8] Organizations that do not use the promotional opportunities of their organization as a tool for attracting new talent were statistically significantly more likely to report that their workforce would claim that the promotional opportunities of their organization had no or a neutral effect on employee motivation.

[9] Organizations that use the promotional opportunities of their organization as a tool for attracting new talent were statistically significantly more likely to report that their workforce would claim that the promotional opportunities of their organization had an extremely positive or positive effect on employee motivation.

Employee Retention

Nearly three-quarters (72%) of organizations report a voluntary turnover rate under 10%. The following tables examine the differences in the promotional guidelines or policies used within an organization and the impact on employee retention.

This summary is intended to provide an overview of how organizations that use their promotional guidelines as a tool to retain employees[10].

Legend:

0%-5% Voluntary Turnover Rate 29%	6%-10% Voluntary Turnover Rate 42%	11%-15% Voluntary Turnover Rate 17%	16%+ Voluntary Turnover Rate 12%

Figure 32: Voluntary employee turnover rate by promotion definitions (participants could select more than one answer)

	0% - 5% (n=173)	6% - 10% (n=250)	11% - 15% (n=99)	16+% (n=68)
Addition of higher level responsibilities	77%	73%	71%	74%
Increase in pay grade, band or level	86%	82%	82%	81%
New title	30%	33%	33%	40%
New department	2%	1%	1%	2%
Other	4%	5%	4%	3%

Figure 33: Average amount of promotional increase by voluntary employee turnover rate

	0% - 5%	6% - 10%	11% - 15%	16+%
Nonexempt (hourly)	6.8% (n=129)	7.0% (n=184)	6.2% (n=73)	9.0%[11] (n=55)
Exempt (salaried)	8.1% (n=156)	8.2% (n=211)	8.1% (n=81)	9.5% (n=58)
Officers/Executives	9.5% (n=97)	9.3% (n=136)	9.1% (n=56)	9.8% (n=46)

[10] Selected statistically significant differences are noted.

[11] Organizations that reported a turnover rate of 16% or higher additionally have a statistically higher average for nonexempt promotional increase rates.

Figure 34: Average percent of employees promoted in 2009 vs. typical years by voluntary employee turnover rate

	0% - 5%	6% - 10%	11% - 15%	16+%
2009 or last fiscal year promotions	5.9%[12] (n=147)	7.2% (n=182)	8.0% (n=78)	8.3% (n=48)
Typical annual promotions	7.3% (n=137)	8.1% (n=167)	8.3% (n=74)	10.7%[13] (n=46)

Figure 35: Voluntary employee turnover rate by limits on promotional increases

	0% - 5% (n=172)	6% - 10% (n=243)	11% - 15% (n=99)	16+% (n=67)
Yes, all promotional increases are limited	30%	28%	25%	22%
No, promotional increases are not limited	36%	35%	24%	24%
Some promotional increases are limited	34%	37%	51%	54%

Figure 36: Voluntary employee turnover rate by communication of promotional guidelines

	0% - 5% (n=172)	6% - 10% (n=247)	11% - 15% (n=98)	16+% (n=67)
We want every employee to fully understand the guidelines and policy	29%	22%	21%	15%
We communicate the guidelines to employees only when they are involved in a promotion	7%	7%	6%	2%
The guidelines and policy are mostly to guide HR and management; we will share with employees when they ask	59%	61%	63%	72%
Other	5%	11%	9%	12%

[12] Organizations that reported a turnover rate between 0% and 5% are reporting promoting on average statistically significantly fewer employees than organizations with a 11% to 15% turnover rate and 16%+ turnover rate.

[13] Organizations that reported a turnover rate of 16%+ additionally have statistically higher average employee promotions in an average year than organizations with a 0% to 5% turnover rate and 6% to 10% turnover rate.

Figure 37: Voluntary employee turnover rate by limits on the number of grades, bands or levels employees are permitted to move in a single promotion

	0% - 5% (n=172)	6% - 10% (n=245)	11% - 15% (n=97)	16+% (n=66)
Yes	17%	13%	6%	9%
No	70%	78%	83%	74%
Depends on the employee's classification	13%	9%	11%	17%

Figure 38: Voluntary employee turnover rate by use of promotional guidelines as a tool to attract new employees

	0% - 5% (n=170)	6% - 10% (n=247)	11% - 15% (n=99)	16+% (n=66)
Yes	30%	39%	31%	38%
No	70%	61%	69%	62%

Figure 39: Voluntary employee turnover rate by how workforce would report the promotional opportunities effect on employee engagement

	0% - 5% (n=170)	6% - 10% (n=248)	11% - 15% (n=98)	16+% (n=66)
Extremely negative / negative	5%	7%	7%	3%
No effect or neutral	34%	32%	39%	35%
Extremely positive / positive	61%	61%	54%	62%

Figure 40: Voluntary employee turnover rate by how workforce would report the promotional opportunities effect on employee motivation

	0% - 5% (n=170)	6% - 10% (n=248)	11% - 15% (n=98)	16+% (n=66)
Extremely negative / negative (n=36)	5%	7%	10%	3%
No effect or neutral (n=184)	32%	30%	31%	36%
Extremely positive / positive (n=362)	63%	63%	59%	61%

Employee Motivation

More than 6 in 10 organizations (62%) report that their workforce views the promotional opportunities or activities as extremely positive or positive when it comes to employee motivation. The following tables examine how differences in the promotional guidelines or policies used within an organization may impact employee motivation.

This summary is intended to provide an overview of how organizations use their promotional guidelines as a tool to motivate employees[14].

Key:

Extremely negative / negative 6%	No effect or neutral 33%	Extremely positive / positive 62%

Figure 41: Employee motivation by promotion definitions (participants could select more than one answer)

	Extremely negative / negative (n=36)	No effect or neutral (n=198)	Extremely positive / positive (n=375)
Addition of higher level responsibilities	67%	70%	77%
Increase in pay grade, band or level	78%	80%	84%
New title	36%	32%	33%
New department	4%	1%	1%
Other	3%	4%	5%

Figure 42: Average amount of promotional increase by employee motivation

	Extremely negative / negative	No effect or neutral	Extremely positive / positive
Nonexempt (hourly)	6.6% (n=29)[16]	7.2% (n=136)	7.1% (n=286)
Exempt (salaried)	7.8% (n=32)	8.5% (n=161)	8.3% (n=326)
Officers/Executives	9.4% (n=16)[16]	9.9% (n=106)	9.2% (n=219)

[14] Selected statistically significant differences are noted.

Figure 43: Average percent of employees promoted in 2009 vs. typical years by employee motivation

	Extremely negative / negative	No effect or neutral	Extremely positive / positive
2009 or last fiscal year promotions	6.9% (n=33)	6.1% (n=140)	7.5%[15] (n=286)
Typical annual promotions	7.9% (n=32)	7.4% (n=126)	8.6% (n=267)

Figure 44: Employee motivation by communication of promotional guidelines

	Extremely negative / negative (n=36)	No effect or neutral (n=197)	Extremely positive / positive (n=373)
We want every employee to fully understand the guidelines and policy	19%	22%	23%
We communicate the guidelines to employees only when they are involved in a promotion	3%	5%	7%
The guidelines and policy are mostly to guide HR and management; we will share with employees when they ask	64%	62%	62%
Other	14%	11%	8%

Figure 45: Employee motivation by limits on the number of grades, bands or levels employees are permitted to move in a single promotion

	Extremely negative / negative (n=36)	No effect or neutral (n=195)	Extremely positive / positive (n=371)
Yes	19%	11%	11%
No	64%	79%	77%
Depends on the employee's classification	17%	10%	12%

[15] Organizations reporting that employees would describe the promotional guidelines effect on employee motivation as extremely positive or positive additionally report statistically higher average numbers of employee promotions in 2009 than organizations who report the promotional guidelines of their organization have a neutral or no effect on employee motivation.

Figure 46: Employee motivation by organization type

	Extremely negative / negative (n=36)	No effect or neutral (n=199)	Extremely positive / positive (n=373)
Public sector (n=89)	22%	15%	14%
Private sector - publicly traded (n=433)	67%	69%	73%
Non-profit/Not-for-profit (n=86)	11%	16%	13%

Demographics

Figure 47: "Your organization is:" (n=621)

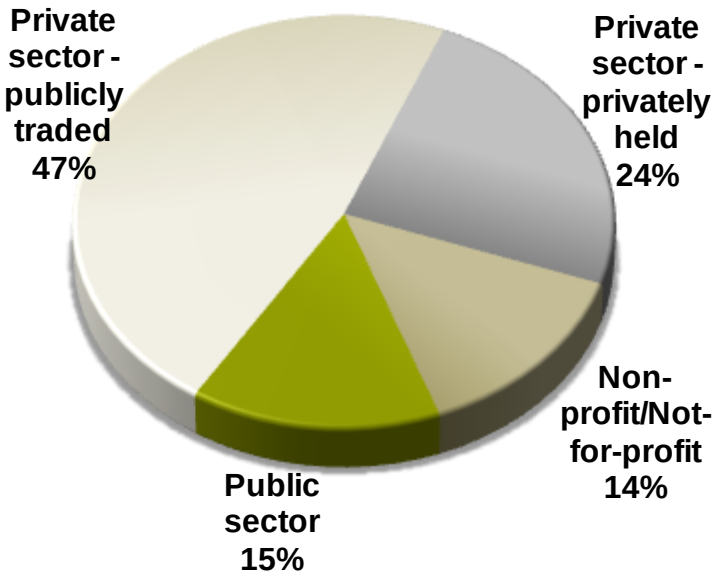


Figure 48: "Please choose the total number of full-time employees (FTEs) your organization employs worldwide:" (n=621)

Option	Percent
Less than 100 employees	1%
100 to 499	4%
500 to 999	5%
1,000 to 2,499	16%
2,500 to 4,999	19%
5,000 to 9,999	14%
10,000 to 19,999	14%
20,000 to 39,999	11%
40,000 to 99,999	9%
100,000 or more	6%

Figure 49: "Please choose one category that best describes the industry in which your organization operates:" (n=616)

Option	Percent
Finance & Insurance	15%
All Other Manufacturing	11%
Healthcare & Social Assistance	9%
Utilities, Oil & Gas	7%
Consulting, Professional, Scientific & Technical Services	5%
Information (includes Publishing, IT Technologies, etc.)	4%
Computer and Electronic Manufacturing	4%
Retail Trade	3%
Other Services (except Public Administration)	3%
Pharmaceuticals	3%
Public Administration	3%
Educational Services	3%
Transportation	3%
Arts, Entertainment & Recreation	2%
Accommodations & Food Services	2%
Mining	1%
Real Estate & Rental & Leasing	1%
Other	19%