

# Performance Review Guidelines



## Pay for Performance

At Henry Schein, TSMs are our most important asset, and helping each TSM reach their highest potential is the cornerstone of our Performance Management program. The Performance Management program affords you the opportunity to promote two-way communication and feedback about the TSM's job expectations, overall performance and professional development opportunities. Our Compensation programs support performance management by recognizing and rewarding solid performance via opportunities for professional growth and, when appropriate, increased compensation.

As you prepare for this year's performance management and compensation processes, we want you to consider rating accuracy and fairness to differentiate performance which will then be used to help you differentiate compensation awards. Performance-based salary increase guidelines will be provided in iSchein during the 2013/2014 Salary Recommendation process. We are counting on our managers to review the information below and make appropriate designations.

## 1 Assigning Performance Ratings

### Consider the following when assigning ratings:

- ✓ Only the top, exceptional performers deserve the Substantially Exceeded (SE) Expectations rating. These are the TSMs who are highly successful while consistently exceeding performance expectations on a on a day-in-day-out basis. Roughly, only 5% of an organization's entire population falls into this rating category.
- ✓ Clearly differentiate between performance that Exceeds Expectations (EE) versus Meets Expectations (ME). Performance that often, but not consistently, exceeds performance expectations (majority of the time), would fall into the Exceeds Expectations (EE) category. Performance that occasionally exceeds expectations, would be in the Met Expectations (ME) category. It is important to note that our success is driven by the large majority of TSM's whose performance consistently meets expectations. Roughly, 30-35% of an organization's entire population falls into the Exceeds Expectations (EE) rating category, while 55-60% of an organization's entire population falls into the Met Expectations (ME) rating category.
- ✓ Determine if a TSM who is failing to meet expectations should be rated a Below Expectations (BE) Expectations or Did Not Meet Expectations (NM) rating. Below Expectation (BE) performance generally does not meet performance goals despite performance discussions and warnings, and requires sustained performance improvement. If performance is consistently below expectations, the Did Not Meet Expectations (NM) category is appropriate.