

## ORGANIZATIONS WITH SHORT-TERM INCENTIVES

The vast majority of participating organizations (85%) have short-term incentive plans for at least one segment of their employee population. This number increases to 91% in For-Profit organizations compared to 67% in Not-For-Profit organizations. Organizations were asked to report the various types of short-term incentive plans prevalent in their organizations. Company-wide corporate plans topped the list, as reported by 65% of organizations. Gainsharing plans and Cash profit sharing were the least prevalent plan types.

| Type of Incentive            | % of Organizations |
|------------------------------|--------------------|
| Company-wide corporate plan  | 65%                |
| Sales incentives             | 44%                |
| Spot cash awards             | 36%                |
| Management incentives        | 34%                |
| Discretionary awards         | 30%                |
| Individual incentives        | 30%                |
| Team/small group incentives  | 16%                |
| Project milestone incentives | 9%                 |
| Cash profit sharing          | 7%                 |
| Gainsharing plans            | 4%                 |
| Other                        | 3%                 |

Other responses include: Divisional plans; Executive Plans; Job Specific Incentive Plans.

Multiple responses were allowed; therefore, the sum of the percent of organizations may be greater than 100%.

## CHANGES TO INCENTIVE PLANS

Since 2015, 7% of organizations have increased the number of employee levels eligible for incentives, and 9% of organizations have increased the target payout opportunity for incentive eligible employees.

|  | Organizations that have made changes to short-term incentive plans since 2015 |           |           | N   |
|--|---|-----------|-----------|-----|
|  | Increased   | Decreased | No change |     |
| Number of employee levels eligible for incentives          | 7%  | 2%        | 91%       | 946 |
| Target payout opportunity for incentive eligible employees | 9%  | 4%        | 87%       | 934 |

**ELIGIBILITY, TARGETS AND PAYOUTS**

The tables below provide information on short-term incentive plans including percentage of companies offering, percentage of employee group eligible, the percentage of eligible employees receiving, and payouts (as a % of Base and Target) by employee group.

**All Organizations**

|  | Executive |       | Management |       | Professional (Sales) |     |
|--|-----------|-------|------------|-------|----------------------|-----|
|  | %         | N     | %          | N     | %                    | N   |
| % of Organizations Offering                  | 98%       | 1,007 | 98%        | 1,020 | 82%                  | 886 |
| % of Group Eligible (mean)                   | 93%       | 596   | 87%        | 608   | 86%                  | 302 |
| % of Eligible Receiving (mean)               | 96%       | 569   | 92%        | 573   | 89%                  | 249 |
| 2015 Actual Payout % of Base Salary (median) | 39%       | 538   | 17%        | 558   | 15%                  | 242 |
| 2015 Actual Payout % of Target (median)      | 100%      | 440   | 98%        | 451   | 95%                  | 182 |

N = Number of responding organizations

|  | Professional (Non-Sales) |       | Office/ Clerical/ Technical |       | Trades/ Production/ Service |     | Unionized Employees |     |
|--|--------------------------|-------|-----------------------------|-------|-----------------------------|-----|---------------------|-----|
|  | %                        | N     | %                           | N     | %                           | N   | %                   | N   |
| % of Organizations Offering                  | 86%                      | 1,009 | 70%                         | 1,009 | 68%                         | 893 | 40%                 | 329 |
| % of Group Eligible (mean)                   | 83%                      | 460   | 88%                         | 315   | 88%                         | 205 | 92%                 | 104 |
| % of Eligible Receiving (mean)               | 90%                      | 457   | 91%                         | 337   | 91%                         | 203 | 91%                 | 73  |
| 2015 Actual Payout % of Base Salary (median) | 10%                      | 452   | 5%                          | 349   | 5%                          | 215 | 4%                  | 60  |
| 2015 Actual Payout % of Target (median)      | 100%                     | 347   | 100%                        | 238   | 100%                        | 147 | 100%                | 43  |

N = Number of responding organizations