

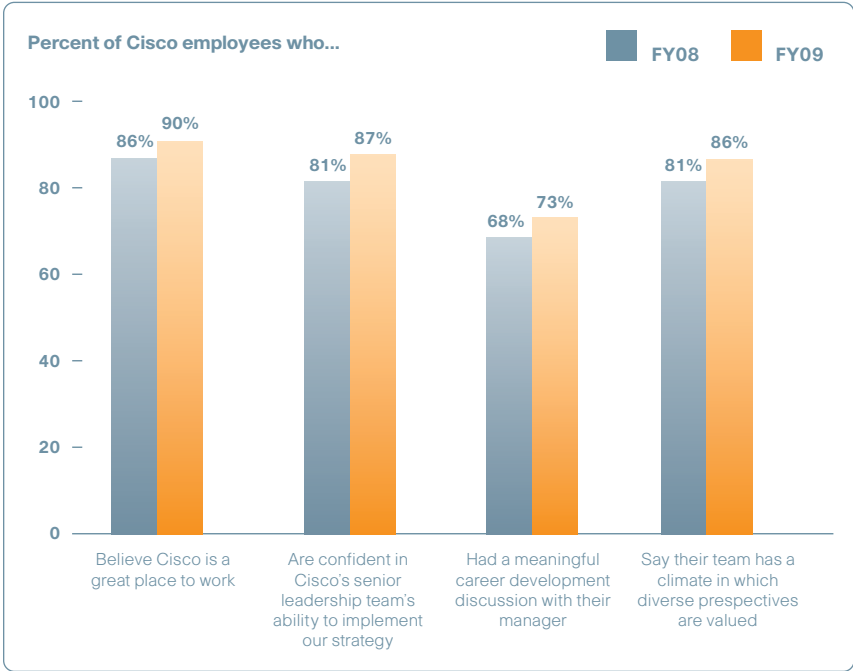
Cisco Pulse Survey

One of our most effective tools for gathering employee feedback is the Cisco Pulse Survey, a confidential poll administered online. Prior to 2008, the survey was conducted sporadically and covered only a sample of the employee population. Now it is a global, annual survey that covers the entire employee population. Cisco's leadership enthusiastically supports the survey and the resources required. A record 80 percent of employees answered the most recent survey in February 2009, a 7 percent increase over the previous survey. In this survey, 90 percent of employees agreed that Cisco is a great place to work, up from 86 percent in 2008.

This year's Cisco Pulse Survey included a focus on employee engagement. Cisco's new 10-item Engagement Index set a baseline value, and employees were asked questions to determine which of seven aspects of employment had the most impact on their level of engagement: respect for people, development, recognition, collaboration, organizational alignment, innovation and excellence, and communication. We also introduced an item on the survey assessing employees' perception of how much the company's management emphasizes employee well-being.

The year-over-year results for other key statements in the annual surveys conducted in FY08 and FY09 are shown in the graph below.

Results for Key Pulse Survey Questions, FY08–FY09



We follow up the Pulse Survey in various ways: additional surveys, focus groups, structured review sessions between managers and their employees, targeted action and improvement plans, and coaching. Low scores indicating areas of concern receive added attention from the Operating Committee. We work hard to balance long-term, sustainable improvements with “quick-win” approaches, and we communicate broadly and consistently about Pulse Survey follow-ups so employees understand the connection between their input and the changes that we implement. Consistent with Cisco’s emphasis on transparency and inclusion, employees were able to view comprehensive Pulse Survey results for the entire company and for all major functions on a website for the first time this year. By publicizing the survey, we give employees visibility into their peers’ views and how Cisco’s leadership team plans to improve the employee experience.

As a result of employee feedback, there has been a companywide focus on employee recognition. We concentrated on clarifying how employee performance is evaluated, how rewards are determined, and how managers can positively reinforce employee performance in ways that do not necessarily involve monetary compensation. In addition, there has been year-over-year improvement in employees’ agreement with the statement, “In the last 12 months I have had a meaningful career development discussion with my manager.” This can be attributed to a cross-functional effort to improve in this area; midyear career discussions were held with approximately 55 percent of employees.