



Watch the Video! State-of-the-art facilities such as Cisco LifeConnections help to maintain the health, wellness, and work-life balance of employees.

Our People

Inspiring our employees is critical in fulfilling our vision. We want them to feel that working at Cisco is more than just a job. We depend on the ideas, energy, and commitment of our people, and we continue to focus our efforts on building an engaged, talented, and motivated workforce that will contribute to our ongoing success.



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> Working Together

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How to Use This Report

We encourage you to use the complete report PDF, which includes all sections and allows full access to videos, search capabilities, and bookmarks.

Alternatively, if you [visit us online](#), you can access each section of our report individually. We've also created an [Executive Summary](#), which provides an overview of our achievements in fiscal year 2011 (FY11).

Recommended Software

- Adobe Acrobat*
Version 7.0 and above
- QuickTime

Our People

Our employees are experts in engineering, sales, and business support with diverse backgrounds, skills, and experience. At the end of FY11 we employed more than 71,000 people¹. Over 17,000 are based at our headquarters in San Jose, California, and the others work in over 470 offices in 165 countries.

Collaboration lies at the heart of our people strategy, which focuses on five key areas:

- **Working together:** Embedding a collaborative working culture
- **A safe and healthy work environment:** Focusing on our people's safety and promoting their physical and mental well-being
- **An open and diverse culture:** Engaging our employees and promoting diversity and inclusion
- **Employee opportunities:** Realizing the potential of our employees through development and training opportunities
- **Rewarding our people:** Rewarding employees through competitive, performance-based compensation and benefits

Cisco Technology in Action: Cisco Virtual Office

The Product: Cisco Virtual Office

How We Use Cisco Virtual Office to Support Our Employees:

Cisco Virtual Office allows our people to work from home and improve their work-life balance by offering a seamless home office experience comparable to working in a Cisco office. It provides wired and wireless data connectivity, voice service capabilities, and support for video over broadband Internet access. Cisco Virtual Office gives our people more flexibility as well as reducing costs and providing workforce continuity during emergencies.

1. This number does not reflect the results of the workforce reduction or the sale of our Juarez manufacturing facilities.

Changes to Our Workforce

In response to the changing economic environment, we have transformed the way we operate. In FY11, we undertook a comprehensive action plan to simplify the organization, refine operations, and reduce annual operating expenses. This resulted in a global reduction in our workforce of 6500 people, including 2100 who took voluntary early retirement packages. This reduction represented 9 percent of our regular full-time workforce, and all functions were affected. The roles impacted by the workforce reduction were determined by the results of comprehensive workforce and functional business planning that took into account company priorities and product portfolios. Employees affected by the restructure received generous severance packages and outplacement assistance. We are committed to treating all of our employees with uncompromising integrity and respect throughout these difficult processes.

Affected employees had the opportunity to use Cisco Talent Connection to apply for the limited internal opportunities that were then available. In addition, our Career Transition Service provider continues to connect them to opportunities with select customers and partners through the Cisco Partner Placement Program.

In FY11, Cisco announced the sale of our manufacturing facility in Juarez, Mexico, to Foxconn, as part of our efforts to streamline operations. The deal closed in FY12.

Working Together

Communication and collaboration are at the heart of our working environment. We promote the use of flexible, cross-functional teams that work together to exploit new business opportunities. Our Collaboration Across Cisco program recognizes exceptional cross-functional teamwork and provides teams of Cisco employees with opportunities to be recognized throughout the company. This is one of many ways that we encourage collaboration.

Our collaborative technologies continue to change the way employees work and communicate with one another across business functions, markets, and regions by facilitating collaboration, regardless of location.

Communications

It is essential that all employees understand our goals and expectations, and we must listen to their feedback, especially in times of change. Our employee communications aim to foster a culture of openness, with the goal that our individual business functions are aligned with our internal vision, strategy, and execution.

Employees have an opportunity to engage with senior management and learn about the company's strategy through events such as:

- Annual virtual strategic leadership meetings for all employees of director and higher grade, and virtual sales meetings for our entire sales organization
- Quarterly companywide and leadership (managers only) meetings, earnings announcements and videos, and functional meetings
- The Cisco Employee Connection intranet site, which runs short surveys to help executives keep their fingers on the company's pulse
- The Cisco "Insight Series" with John Chambers to help employees understand how we are navigating the changes to our operations and workforce
- Dedicated resource pages on our intranet to help employees understand how we are simplifying operations

Pulse Survey

Our annual Pulse Survey is one of the most important listening tools at Cisco. It is a confidential, online survey for all employees that helps leaders pinpoint the most effective ways to improve the employee experience. The response rate remained high in FY11, with 81 percent of employees taking part in the survey, although this is a slight decline from the record 85 percent response rate we achieved in FY10.



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Unfortunately, consistent with the slight decline in the overall participation rates, several of the individual categories were also down from FY10, as seen in the Pulse Survey results table. Similar to the previous two years, Recognition continued to be a low-scoring area, although it has improved from FY10. Organizational alignment also declined, reflecting the employee sentiment prior to the recent restructure. Results from the survey helped us identify opportunities for improvement, and we are working to develop long-term solutions to areas of employee concern. In response to the survey results, we are focusing on four key programs to address these challenges in FY12:

- **Cisco Talent Connection:** Identifies career movement opportunities and sources talent from within the company
- **Cisco Performance Connection:** Creates the platform for development opportunities and performance dialogue between managers and employees
- **Cisco Certified Management Professional:** A certification program, coming in FY12, that is designed to build excellence in leadership and management capabilities and inspire outstanding people management practices
- **The Leader Playbook:** A step-by-step resource for managers and directors to engage employees during times of transition

We saw an increase in Respect for People scores from 82 to 84 and a significant increase in our Manager Index from 77 to 83. The Manager Index refers to specific areas that managers can directly affect, such as supporting employees in balancing work and family life and fostering the fair treatment of employees within their teams. Pulse and function-level survey results have been available to all employees since 2009 to encourage openness and communication.

Pulse Survey Results			
Category	2009 Scores ¹	2010 Scores ¹	2011 Scores ¹
Employee Engagement Index	87	82	79
Collaboration	86	85	85
Respect for People	83	82	84
Communication	77	79	79
Organizational Alignment	82	79	66
Inclusion Index	79	78	79
Innovation and Excellence	78	77	73
Manager Index	NA	77	83
Development	73	72	75
Recognition	65	65	68

1. Pulse asks employees to indicate their level of agreement on positively phrased statements using a five-point scale, with responses ranging from "Strongly Disagree" to "Strongly Agree". We consider 80 percent or above to be a positive result, 70-79 percent indicates room for improvement and below 69 percent identifies an area of opportunity.

Collaborative Leadership

The Cisco Center for Collaborative Leadership focuses on organizational transformation, executive talent management, and leadership development. Cisco's competency model, C-LEAD, defines what leadership looks like at Cisco and is named for five capabilities: Collaborate, Learn, Execute, Accelerate, and Disrupt.

In FY10, we launched a new Leadership Channel for our leadership and management, offering collaborative, technology-based events, blogs, moderated chats, and discussion forums with both Cisco and external global

thought leaders. The channel connects world leaders and leadership gurus such as Madeleine Albright, former United States Secretary of State, and Deepak Chopra, doctor and spiritual leader, with Cisco's leaders through Cisco's collaborative technologies. In FY11, Bersin and Associates awarded Cisco's Leadership Channel with a Leader in Learning Award.

In FY11, Cisco developed the Emerging Markets Leadership Incubator to focus on developing leadership capabilities in emerging markets. The program will accelerate leadership skills in important growth markets for Cisco.



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A Safe and Healthy Work Environment

We are committed to protecting the health and well-being of all our employees. We do this by using our collaborative technology to offer people the freedom to choose how, when and where they work and by providing a range of health and well-being programs.

Health and Safety

The health and safety of our employees is crucial. The purpose of our Occupational Health and Safety Program is to identify and reduce the risk of injury and illness across our operations. We do this by standardizing health and safety management while allowing location teams to monitor effectiveness.

The majority of employee workplace injuries are ergonomic issues, and in FY11 we continued to focus on ergonomic-related injury awareness and prevention. Our office-based employees benefit from our Global Ergonomic Program that provides in-person and virtual support to help identify, measure, and reduce ergonomic risks.

We follow global regulatory and industry standards in our Lab Safety Program, using a risk-based approach that provides guidance on assessing, communicating, and managing lab-based safety hazards. Remote workers fall under our wider occupational health and safety scheme.

Our employee injury and illness rate for U.S. operations fell from 0.33 in FY10 to 0.30 per 100 full-time employees (FTEs) in FY11, and the rate of injuries and illnesses resulting in lost time decreased from 0.14 in FY10 to 0.03 per 100 employees in FY11, a return to our FY09 level.

Cisco's Global Safety, Security, and Business Resiliency department is responsible for the protection of employees, property, revenue, and physical assets. This group manages significant global, regional, and local incidents such as tsunamis, earthquakes, and typhoons as well as social and political unrest, which can affect our operations (see [Risk Management](#)).

Health and Well-being

We provide health insurance covering medical, disability, and life benefits to eligible employees. Our programs cover common health-related issues such as pregnancy, healthy living, and condition management to encourage healthy, balanced lifestyles. Our Wellness Challenges, six-week programs that encourage healthy behaviors, are open to employees and their spouses or domestic partners. Past challenges have focused on eating healthfully, improving sleep habits, and increasing exercise. We offer participants US\$100 per challenge, and there is no limit on the number of challenges employees and their spouses/partners can participate in, although they are only offered once per quarter.

U.S. employees have access to additional support programs from prenatal to eldercare assistance, and our San Jose headquarters offers a health center, pharmacy, fitness center, and vision center. Employees at our Research Triangle Park main campus in North Carolina can also visit an onsite clinic that's an extension of the San Jose health center. In addition, we provide a health and fitness center in Bangalore, India. Employee-led community and resource groups allow employees to share their experiences and offer support on a range of issues.

We are committed to helping our employees balance family and work demands. In FY11, we opened a new childcare center in Bangalore, India, which serves nearly 100 children, in addition to our existing onsite childcare centers at our headquarters in San Jose, California. Many of our sites around the world offer mothers' rooms that provide space for breastfeeding. We offer referral services for employees having difficulty balancing work and personal demands, a global employee tuition assistance program, and a child scholarship fund for the children of deceased employees.



Easing the Burden of Chronic Conditions

Cisco's Condition Management is a confidential voluntary program available to Cisco employees and their families with chronic conditions such as diabetes, heart disease, or asthma. By working with nurses, employees create a plan to manage their ongoing health needs. Nurses have helped Cisco employees improve their diet, maintain a healthy work-life balance, and develop effective exercise programs.



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Flexible Working

Our employees have the opportunity to use Cisco technology to work flexibly. Cisco solutions such as Cisco Virtual Office, Cisco TelePresence, and Cisco WebEx all facilitate remote working and flexible work practices. These have been widely adopted by our employees:

- Telecommuting is used by 95 percent of employees, and the number of remote workers (employees primarily working from home) rose from 1100 in FY10 to 1232 in FY11.
- Remote working was expanded in FY11 to reach 90 percent of the regions in which we operate.
- Part-time opportunities are available in Europe and the United States, and some sites in the Asia Pacific region. The number of part-time workers at Cisco rose from 220 in FY10 to 225 in FY11.
- Our Off/On Ramp program also allows eligible employees to take a career break for one to two years and then return to the company, as long as they secure an open position before the end of their leave. Participating employees are not paid but are still eligible for company-paid benefits during the first year.

Fostering an environment of diversity and inclusion creates a culture that celebrates differences and unique ideas.



Supporting New Parents

In FY11, we opened a new center in India to offer our Bangalore-based employees better childcare facilities and enable them to visit their children during the day. The Cisco Globalization Childcare Center at the Cessna Business Park in Bangalore offers state-of-the-art, custom-designed facilities, including specialty classrooms, a music and movement room, a gymnasium, sleeping areas, and a language center focusing on language development. Children benefit from freshly prepared meals onsite and eat together with their teachers.

The center will enable Cisco to better support new parents as they return to work and provide the employees who use this resource the opportunity to grow professionally while balancing their personal commitments. We also offer subsidies for use of the childcare center based on the employee's salary and the number and ages of their children. We use an affordability index to make sure that employees pay no more than 15 percent of their Cisco base salary per child for each month of childcare and tuition.

An Open and Diverse Culture

Fostering an environment of diversity and inclusion creates a culture that celebrates differences and unique ideas. We recognize that inclusion and diversity of people and perspectives bring value to our business, foster an innovative environment, and help us to develop a workforce that mirrors our customers and communities.

We value diversity and seek to provide tailored support for employees. For example, we developed a Pacific Rim Asian Talent Development Pilot to help our Pacific Rim Asian employees develop their networks, improve presentation skills, and influence without the use of authority, taking into account Asian traditions and values. We will measure the success of this program by the number of Asian leaders at Cisco in the next 5 to 10 years.

In the U.K., we piloted JUMP, a personalized development program for non-management-level women. The program enables each participant to determine her own development goals, and incorporates individual mentoring and ongoing virtual follow-up. Participants complete three modules over nine months, covering leadership, career planning, and execution. Following a successful pilot in 2010, we now plan to extend the program into FY12 and to women in other locations.

Diversity Performance

In FY11, women made up 22 percent of our global workforce, a 2 percent decrease since FY10. The proportion of women in new hires also dropped slightly from 22 percent in FY10 to 19 percent in FY11. However, the number of women in senior roles of Vice President or above remained at 15 percent.



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In the United States in FY11, 45 percent of our employees reported that they were non-Caucasian, compared to 44 percent in FY10. The proportion of new hires who declared that they were non-Caucasian rose from 42 percent in FY10 to 47 percent in FY11. Non-Caucasians made up 24 percent of Vice Presidents in FY11 (compared with 22 percent in FY10).



Cisco Employees Celebrate Diversity

Cisco employees joined the global celebration of the UN World Day for Cultural Diversity on May 21, 2011. During the month of May, we invited employees to join millions of people worldwide in “doing one thing for diversity” by experiencing another culture, or making a difference for a cultural group. Approximately 300 employees around the world participated, sharing their efforts through our dedicated Voices of Cisco discussion thread and by uploading a photo or video to our “Do One Thing” photo gallery. Employees shared traditional meals with their teams and attended cultural events.

To further broad inclusivity, we work to make our products and systems accessible for employees with disabilities through the companywide Cisco Accessibility Initiative. This is a program that stresses the importance of creating accessible products, websites, and documentation. For more information, see [Product Accessibility](#).

Awards and Recognition in FY11

Recognizing Our Company

- Winner of the Inclusive Culture category at the U.K. Opportunity Now Awards
- Awarded the Disability Matters Employer of Choice Award
- Cisco-Lawrenceville awarded the Gold Presidential Volunteer Service Award by the Atlanta Community Food Bank
- Recognized as one of the Best Companies to Work for by Fortune 100
- Recognized as one of the Top 25 Public Company Diversity and Inclusion Leaders by Racing Toward Diversity magazine
- Recognized by the Hay Group as one of the Top 20 Best Companies for Leadership
- Awarded the Alfred P. Sloan Award for Business Excellence in Workplace Flexibility

Recognizing Our People

- Cisco employee Sabrina Dar was nominated for the Business Leader of the Year by the Asian Women of Achievement Awards
- Young Women’s Christian Association of Silicon Valley’s 27th Annual Tribute to Women Awards honored three Cisco employees: Marilyn Nagel, Alison Gleeson, and Kathy Bries
- Cisco employee Akilah Smallwood was featured by U.S. Black Engineer and Information Technology magazine
- U.K. Women in Technology Awards recognized Nikki Walker and Bernadette Wightman
- Jaime Valles was named one of the Top 50 Technology Executives in Latin America at the HITEC Top 50 Latin American Symposium and Awards

Employee Opportunities

A highly skilled workforce is imperative to remain economically competitive and sustain our ongoing success. Our flexible learning opportunities enable us to respond to market conditions and support innovation. We recognize our employees’ core skills and address their development needs and career aspirations. Our formal and informal learning and development opportunities support employees’ ongoing success. This, in turn, helps us to retain top talent.

We offer a variety of standard and customized courses for management, technical, and professional development. In FY11, Cisco spent more than US\$113 million on employee training and development. Eighty-two percent of employees participated in at least one course, collectively spending more than 2.4 million hours in learning and development training courses.

In FY11, we launched Cisco Performance Connection, a year-round performance management and development process that enables alignment and prioritization of work, and creates opportunities for development and performance dialogue between managers and employees. Discussions between managers and employees include setting performance and development goals at the start of the year, which sets a baseline for performance reviews thereafter.

To encourage talented employees to build their careers with Cisco, we promote opportunities for career progression within the company. Cisco Talent Connection is a platform for internal recruitment that establishes a marketplace of opportunities for employees and enables managers to respond quickly to changing business needs.



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Rewarding Our People

We believe in sharing our success with our employees. Our competitive performance-based pay and benefits reward innovation, collaboration, and profitability.

Compensation and Recognition

Our total rewards philosophy is focused on providing compensation, benefits, and long-term savings packages that are competitive in each of the markets where we operate. We align employee and company goals through our bonus program, which makes a direct link between the company’s performance, the individual’s performance, and employee pay.

Exemplary contributions from high performers are rewarded by cash and stock awards. Outstanding sales performance, collaboration and technology, and long-term service milestones are also recognized with awards.

Additional benefits include tax-efficient retirement savings support with company contributions, tuition assistance, paid time off and paid holidays, culturally relevant family leave, and an employee stock purchase plan, as well as a range of health benefits.

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Cisco Employee Benefits

- Adoption Assistance (U.S.)
- Autism Benefit (Global)
- Baby Gift Program (Global)
- Children’s Scholarship Fund for the children of deceased employees (Global)
- Cisco Equipment Discount Program (U.S.)
- Death Benefits for Family (Global)
- Education Benefits: Employee Tuition Assistance (Global)
- Family Crisis Assistance (Global)
- Eldercare Program (Global)
- Employee Assistance Program (Global)
- Employee Bonus Program (Global)
- Employee Discount Program (U.S., Canada, and U.K.)
- Expert Medical Opinion (Outside U.S. only, launched in U.S. in FY12)
- Financial Education (U.S.)
- Flexible Work Practices (Global)
- Health & Wellness Programs (Multiple countries)
- Health Insurance: Medical, disability, and life benefits; dental and vision where prevalent (Global)
- Insurance: Healthcare Domestic Partner eligibility (Global)
- Onsite Cafeterias (Multiple locations)
- Onsite Childcare Centers (two centers in San Jose, CA, one in Bangalore, India, a and backup childcare program for Research Triangle Park, NC)
- Onsite Fitness Center (Multiple locations)
- Onsite Health Centers (San Jose, CA, Bangalore, India, HealthPresence in RTP)
- Onsite Pharmacy, Vision Center (San Jose, CA)
- Relocation Assistance (Global)
- Tax-Advantaged Long-Term Savings with company contribution (such as 401(k) retirement accounts)
- Off/On Ramp Program (Up to two years off work, unpaid but first year with medical benefits)
- Employee Stock Purchase Plan

Cisco provides culturally relevant leave-of-absence and time-off programs for employees globally. Examples of these programs in the United States include:

- Adoption Leave: Paid
- Bereavement Time Off: Paid
- Educational Leave: Unpaid
- Jury Duty Time Off: Paid
- Pregnancy Disability Leave/Maternity Leave: Paid
- Military Leave: Differential Paid
- Paid Time Off (vacation): Paid
- Paternity Leave: Unpaid
- Personal Leave: Unpaid



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One of the biggest challenges Cisco is facing, and will continue to face in FY12, is the retention and engagement of our exceptional talent due to uncertain economic times and our recent transition to simplify our operations. We aim to continually show our employees how we invest in their success and reward their performance, and how our processes and practices for doing this are consistent and transparent. The Cisco leadership team is implementing a plan to address these challenges that focuses on key areas.

Objectives for FY12

Explicit, visible leadership commitment to a differentiated employee experience: Senior leaders will invite employees to help build “the Next Cisco” as it relates to their function. We have developed a playbook with information and checklists to support leaders in guiding their teams through transitions in a way that increases engagement.

Compensation and recognition: We offer total compensation that is higher than most of our comparator companies and differentiated rewards opportunities for our highest performers. We expect to introduce conservatively funded base pay increase and promotions programs in October, and would like to provide additional funding for these programs later in the year to align with any improvement in overall company results.

Manager-employee relationships: These relationships are critical to long-term employee engagement, and we will continue to focus on this through existing programs such as Cisco Performance Connection and Cisco Talent Connection for internal movement and promotion. Over the next three years our Learning and Development Solutions group aims to put 90 percent of our Directors and people managers through training at no cost to individual departments.