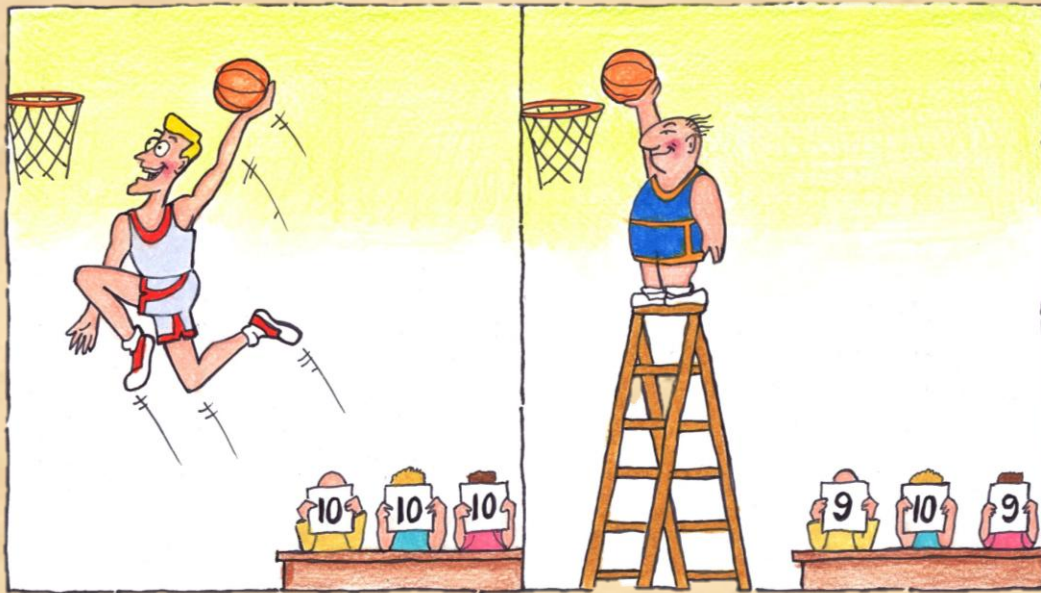


# GRADE INFLATION

Many companies use a standard, annual review process for staff evaluation. As part of this process, they often attempt to relate the employee's performance to a set of criteria tied to a specific job description. In theory, one would think that this process would work well. In practice, however, one finds that in most companies the vast majority of the employees receive high or satisfactory ratings on most all items.

As with any examination, if everyone average or above receives the highest grade available, it is impossible to differentiate truly exceptional performers. **Grade inflation is the enemy of excellence.** Many companies actively practice the rewarding of mediocrity – and they do so to their detriment.



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